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Social Security Bulletin



September 1956

Volume 19

Number 9

Social Security Amendments of 1956: A Legislative History

Old-Age and Survivors Insurance: Financing Basis and
Policy Under 1956 Amendments

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U. S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

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Social Security in Review

The Fiscal Year

DURING the fiscal year ended June 30, 1956, benefits paid under the old-age and survivors insurance program totaled \$5,361 million. Monthly benefits paid during the 12 months were 24 percent greater than the amount for the preceding fiscal year and totaled \$5,245 million; lump-sum death payments amounted to \$115 million, an increase of 15 percent.

The number of monthly benefits in current-payment status increased by 811,000 between June 1955 and June 1956. At the end of June 1956, 8.4 million beneficiaries were receiving benefits at a monthly rate of \$439.4 million. A year earlier, 7.6 million persons had been receiving benefits at a monthly rate of \$384.0 million. For the various types of benefit, the increases in number ranged from 12 percent for old-age benefits to less than 1 percent for parent's benefits. The overall increase amounted to almost 11 percent, about 6 percentage points less than the rise in 1954-55. The increases in the monthly benefit amounts ranged from almost 16 percent for old-age benefits to 6 percent for parent's benefits; for all benefits combined, the increase was about 14 percent.

The *Annual Statistical Supplement* to the BULLETIN, which has appeared in the September issue in recent years, will be presented this year as a separate publication. The *Supplement* with calendar-year data for 1955 is now in press.

About 1.5 million monthly benefits were awarded in 1955-56, only 60,000 less than the record number awarded in the preceding fiscal year. New highs were reached in the number of child's benefits and mother's benefits awarded. Most of the decrease from the number awarded in 1954-55 occurred in old-age and wife's or husband's benefits.

Lump-sum death payments during 1955-56 numbered 600,000, about 54,000 more than the previous record established in the year ended June 30, 1955. About 575,000 deceased workers were represented in these awards. The average lump-sum benefit per worker

represented in the awards was \$200.46.

By the end of June 1956 a disability freeze period had been established for 134,000 workers under the disability freeze provision in the 1954 amendments to the Social Security Act. Although the provision became effective on July 1, 1955, applications could be filed at any time after the beginning of 1955. The law also applies to workers now over age 65, if they became disabled before reaching that age.

As a result of the freeze, about 34,700 old-age beneficiaries had their benefits increased by nearly \$10.00 a month, on the average, from July

	June 1956	May 1956	June 1955
Old-age and survivors insurance:			
Monthly benefits in current-payment status:			
Number (in thousands)	8,374	8,315	7,564
Amount (in millions)	\$439	\$436	\$384
Average old-age benefit (retired worker)	\$62.76	\$62.70	\$61.03
Average old-age benefit awarded in month	68.51	68.36	68.62
Public assistance:			
Recipients (in thousands):			
Old-age assistance	2,524	2,528	2,549
Aid to dependent children (total)	2,250	2,259	2,239
Aid to the blind	106	105	104
Aid to the permanently and totally disabled	258	256	237
General assistance (cases)	290	303	310
Average payments:			
Old-age assistance	\$54.29	\$54.37	\$52.30
Aid to dependent children (per family)	89.27	89.49	86.78
Aid to the blind	60.42	60.45	57.41
Aid to the permanently and totally disabled	56.72	56.88	54.93
General assistance (per case)	51.94	53.02	53.76
Unemployment insurance:			
Initial claims (in thousands)	856	999	898
Beneficiaries, weekly average (in thousands)	1,072	1,064	1,056
Benefits paid (in millions)	\$116	\$126	\$109
Average weekly payment for total unemployment	\$26.79	\$26.69	\$24.35

1955 to the end of May 1956—the latest month for which such data are available. The higher benefits were attributable to the exclusion of a period of disability and/or the dropping (when eligibility for the dropout stemmed from the disability freeze) of up to 5 years of lowest earnings in the computation of the worker's average monthly wage. About 12,000 monthly benefits payable to dependents of these retired workers and to survivors of workers who had established a period of disability before death were increased because of the freeze. For the same reason, lump-sum death benefits payable on the earnings records of approximately 3,600 deceased workers were increased by an average amount of about \$21.50 per worker.

• At the end of the fiscal year 1955-56, about 69,000 fewer persons received aid under the five types of public assistance than in the preceding June—a drop of 1.2 percent. For all programs combined, somewhat fewer than 5.8 million persons were on the assistance rolls. The caseloads decreased from June 1955 to June 1956 in old-age assistance, in aid to dependent children, and in general assistance, where the largest relative decline (6.5 percent) occurred. The number of recipients of aid to the blind rose slightly during the year. The increase of 9.1 percent in the number receiving aid to the perma-

nently and totally disabled was largely a reflection of the continuing growth of a relatively new program.

Expenditures during the fiscal year totaled \$2,790 million—an increase of \$66.9 million from the amount expended in the preceding year. Expenditures were higher in each program except general assistance, where total payments dropped 10 percent. In old-age assistance, aid to dependent children, and aid to the blind, higher expenditures in only a few States contributed largely to the national increase. Increases in vendor payments for medical care accounted for part of the rise in total expenditures for the special types of public assistance.

Recipients of old-age assistance numbered 2,523,700 in June 1956—24,800 less than in June 1955. The national caseload went up slightly each month from July through November primarily because of substantial increases in Alabama, where liberalized policies brought considerable expansion in that State's program. For each of the last 7 months of the year the number of recipients in the Nation as a whole declined, on the average, more than 4,400. In all 12 months most of the States reported fewer aged recipients and only six States had higher caseloads in June 1956 than a year earlier. The national recipient rate dropped from 179 per 1,000 aged persons in June 1955 to 173 per 1,000 in June 1956.

The amount of the average old-age assistance payment for the Nation rose from \$52 in June 1955 to \$54 in June 1956. Average payments increased in 44 of the 53 States. In 19 States, the average was more than \$60, in 22 States it was \$40-\$60, and in 12 States it was less than \$40.

From June 1955 to June 1956 the number of families receiving aid to dependent children declined about 6,600. The trend toward larger families on the assistance rolls continued, however, and 16,000 more children received aid in June 1956 than in the preceding June. Approximately 613,700 families, including 1.7 million children, received aid to dependent children in June 1956. Fairly substantial relative changes in the number of families receiving aid to dependent children occurred in nearly half the States. Twelve States reported decreases of more than 6 percent, and 11 States reported increases of similar size.

Nationally, the average payment to families receiving aid to dependent children was \$87 in June 1955. In April 1956 the average reached a peak of \$90 and then declined slightly; it was \$89 in June.

The number of recipients of aid to the blind went up each month except February, when decreases in three States were primarily responsible for a slight reduction in the national total. The caseload for the country

(Continued on page 26)

	June 1956	May 1956	June 1955	Calendar year 1955 1954	
Civilian labor force ^{1 2} total (in thousands)	69,430	67,846	66,696	65,847	64,468
Employed	66,503	65,238	64,016	63,193	61,238
Unemployed	2,927	2,608	2,679	2,654	3,230
Personal income ^{1 3} (billions; seasonally adjusted at annual rates), total	\$324.2	\$322.8	\$306.0	\$306.1	\$287.3
Wage and salary disbursements	224.4	223.2	210.5	210.4	195.5
Proprietors' income	40.2	40.4	39.3	39.0	38.4
Personal interest income, dividends, and rental income	39.4	39.1	36.8	37.4	35.4
Social insurance and related payments	13.5	13.4	12.3	13.1	11.9
Public assistance	2.5	2.6	2.5	2.5	2.4
Other	10.0	10.0	9.8	9.0	8.3
Less: Personal contributions for social insurance	5.8	5.8	5.2	5.2	4.6
Consumer price index, ^{1 4} all items	116.2	115.4	114.4	114.5	114.8
Food	113.2	111.0	111.3	110.9	112.6
Medical care	132.0	131.9	127.6	128.0	125.2

¹ Data relate to continental United States, except that personal income includes pay of Federal personnel stationed abroad.

² Bureau of the Census.

³ Data from the Office of Business Economics, Department of

Commerce. Components differ from those published by the Department, since they have been regrouped; for definitions, see the *Bulletin*, September 1955, page 28, table 1.

⁴ Bureau of Labor Statistics.

Social Security Amendments of 1956: A Summary and Legislative History

by CHARLES I. SCHOTTLAND*

ON August 1, 1956, President Eisenhower signed H.R. 7225, which thus became Public Law No. 880 (Eighty-fourth Congress), the Social Security Amendments of 1956. This new law amends the old-age and survivors insurance provisions of the Social Security Act, certain parallel provisions of the Internal Revenue Code, the public assistance and child welfare titles of the Social Security Act, and the Railroad Retirement Act.

As President Eisenhower stated when he signed the bill, "The new law embraces a wide range of changes in old-age and survivors insurance, the public assistance programs, and child welfare services." These changes have major implications for the economic security of the American people and for the field of public welfare.

The old-age and survivors insurance system was also affected by Public Law No. 881 (Eighty-fourth Congress)—the Servicemen's and Veterans' Survivor Benefits Act—which was signed by the President on August 1, 1956. This law substantially revamps the survivor benefit programs for the members of the uniformed services. Included among its provisions is the extension of old-age and survivors insurance coverage to this group (on a contributory basis and with certain special features).

The major changes in the old-age and survivors insurance program as a result of the 1956 legislation are as follows:

1. Permanently and totally disabled workers who are between the ages of 50 and 65, who meet certain requirements concerning the length and recency of covered work, and who serve a 6-month waiting period will be paid monthly benefits beginning July 1957.

2. Dependent disabled children aged 18 and over who were totally disabled before attaining age 18 will receive

monthly child's benefits (based on the earnings records of either retired or deceased insured workers) beginning January 1957. Benefit payments will also be made to a mother having such a child in her care.

3. The age at which women become eligible for benefits is lowered to 62. Full benefits are paid at age 62 to women eligible for benefits as widows or dependent parents. Working women and wives without child beneficiaries in their care who elect to receive a retired worker's or wife's benefit while they are between the ages of 62 and 65 receive an actuarially reduced benefit. As under the old law, the wife of a retired worker will receive full benefits regardless of age if she has a child beneficiary in her care.

4. About 900,000 persons in civilian jobs are newly covered; the principal groups consist of the previously excluded self-employed professional persons (other than doctors of medicine), additional farm owners and operators, certain Federal civilian employees, and certain additional State and local employees in specified States. Coverage on a contributory basis is extended, effective January 1, 1957, to nearly 3 million members of the uniformed services.

5. A separate trust fund is established from which disability benefits will be paid. Contributions to the disability insurance trust fund from covered employees and employers are at the rate of $\frac{1}{4}$ of 1 percent each, and from covered self-employed persons at the rate of $\frac{3}{8}$ of 1 percent, effective January 1, 1957.

6. Before each scheduled increase in the tax rate, an Advisory Council on Social Security Financing is to be established to review the status of the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund in relation to the long-term commitments.

7. The old-age and survivors insurance trust fund is to be reimbursed

from general revenue for the costs of the gratuitous \$160 monthly military wage credits granted to veterans who served in the Armed Forces during the period from September 16, 1940, to December 31, 1956, and for the costs of the special provision enacted in 1946 that granted insured status to certain World War II veterans who died within 3 years of leaving service.

8. Benefits are suspended for certain aliens if they are outside the United States for more than 6 months.

9. A judge may terminate the benefit rights of persons convicted of espionage, sabotage, treason, sedition, or subversive activities as an added penalty for their crime.

10. Employment for organizations registered or required to register by final order of the Subversive Activities Control Board is excluded from coverage.

11. The interest rate on certain investments held by the old-age and survivors insurance trust fund and the disability insurance trust fund is changed to reflect the essentially long-term character of the investments.

The following major changes in the public assistance program are made by the Social Security Amendments of 1956:

1. The Federal matching formula is revised to increase the Federal share in State assistance payments to needy persons who are aged, blind, or disabled and to dependent children.

2. A new basis is established for Federal sharing in State expenditures for medical care on behalf of recipients, separately from money payments to them; the Federal Government will match dollar for dollar, within specified average maximums per person, the amounts spent by the States for this purpose.

3. The constructive aspects of public assistance are emphasized through amendments relating to services in

* Commissioner of Social Security.

the public assistance programs, and provision is made for grants for the training of public welfare personnel.

Provision is made for grants for cooperative research or demonstration projects.

Only one change was made in the child health and welfare programs. The amount authorized to be appropriated for child welfare services was increased from \$10 million to \$12 million for the fiscal year 1957-58 and subsequent years.

Old-Age and Survivors Insurance

New Benefit Provisions

The disability "freeze" provisions in the old law permitted any extended period in which an insured worker was totally disabled to be disregarded in determining his eligibility for and the amount of his benefits. The 1956 amendments provide for a system of disability insurance benefits, payable to insured workers between the ages of 50 and 65, that is separate from the old-age and survivors insurance system as far as financing is concerned. It is estimated that disability insurance benefits could be payable for July 1957 to 400,000 individuals and that by 1975 a possible 900,000 persons could receive such benefits.

Under the previous law, a child's benefits stopped when he attained 18. Under the new law, child's benefits are payable to the dependent adult children of retired or deceased insured workers if the children became totally disabled before they reached age 18; these benefits will be paid from the old-age and survivors insurance trust fund, beginning January 1957. During the first year, it is estimated, approximately 20,000 children will be added to the benefit rolls under these provisions. Annually thereafter, some disabled children currently attaining age 18 will be continued on the benefit rolls and others will be added to the rolls at age 18 or over when the insured person dies or becomes entitled to old-age insurance benefits—some 2,500 children each year. The mothers of

these children may receive benefits as long as they have child beneficiaries in their care.

Disability Insurance Benefits

Disability insurance benefits are payable to totally disabled workers between the ages of 50 and 65 who qualify both as to work requirements and disability standards after a waiting period of 6 months. July 1957 is the first month for which disability benefits will be payable. No benefits will be paid to dependents of qualified disabled workers. The procedures and practices for determining and defining disability that were set forth in the previous law with respect to the disability freeze are continued for the new cash-payment program except that blindness does not constitute presumed disability. For purposes of disability benefits, persons with visual impairments must be disabled to the same extent as those with other physical impairments—that is, they must be unable to engage in any substantial gainful activity.

The disabled person, to qualify for the disability insurance benefits, must be both fully and currently insured and must have had 20 quarters of employment covered by old-age and survivors insurance during the 40-quarter period that ends with the quarter in which the disability begins.

An insured individual who is unable to engage in any substantial gainful activity is not necessarily entitled to disability insurance benefits even though he is, in fact, severely disabled. The disability must be expected to result in death or to be of long and indefinite duration. A waiting period of 6 consecutive months of disability must elapse before payments may begin. This requirement was established to provide a simple device for screening out cases of temporary disability, since in 6 months most temporary disablements will be corrected or definite signs of recovery will appear.

The amount of the monthly disability insurance benefit is to be the same as the primary insurance amount, computed as though the worker became entitled to old-age insurance benefits in the first month of his waiting period. There is no earnings test (like that applied for per-

sons receiving old-age and survivors insurance benefits) under which benefits are suspended because earnings exceed a specified amount; the definition of disability in itself precludes payment of benefits to anyone able to engage in substantial gainful employment.

When a beneficiary also receives another Federal benefit based on disability or a workmen's compensation benefit, the disability benefit under old-age and survivors insurance is reduced by the amount of such benefit.

Vocational rehabilitation will continue as an important adjunct to the administration of the disability freeze and disability cash benefits. Applicants for either the freeze or disability insurance benefits will be referred to the State agency for rehabilitation, and monthly benefits will be suspended if a beneficiary refuses to accept rehabilitation services without good cause. A beneficiary who is a member or adherent of any recognized church or religious sect that relies on spiritual healing and who refuses to accept rehabilitation services is deemed to have done so with good cause. A beneficiary who engages in substantial gainful activity under an approved State plan for vocational rehabilitation purposes will nevertheless be considered disabled for a year after he first engages in such activity. The provision that makes applicable the payment of benefits and the freeze only for impairments that can be expected to be of long-continued and indefinite duration is not inconsistent with efforts toward rehabilitation, since it refers only to the duration of the impairment and does not require a prediction of continued inability to work.

Present disability rules, requirements, and standards for the freeze procedure are still in effect. If an individual is determined to be totally and permanently disabled before he reaches age 50, the freeze can be established. If, at age 50, he still meets the disability test, he can become eligible for disability insurance benefits, provided he files an application and meets the work requirements for these benefits. October 1, 1956, is the earliest date an application for disability benefits can be accepted.

All the present framework to carry out the disability freeze provisions of the 1954 amendments will be used for the payment of monthly disability benefits. The determination of disability is to be made by State agencies under the same arrangements now used for freeze determinations. In the Conference report,¹ Congress included a statement that the Secretary of Health, Education, and Welfare is expected to use fully his authority to review and revise favorable determinations of State agencies in order to assure uniform administration of the disability benefits and to protect the disability insurance trust fund from unwarranted costs.

Beginning in 1957, an additional tax (combined employer-employee) of $\frac{1}{2}$ of 1 percent on wages and of $\frac{3}{8}$ of 1 percent on self-employment income will be imposed to finance the disability insurance program. The amount of these taxes will be deposited in the disability insurance trust fund, from which the disability insurance benefits and administrative costs will be payable.

Dependent Disabled Child's Benefits

Under the new law a dependent disabled child aged 18 or over of a deceased or retired insured worker qualifies for child's benefits, regardless of age, if he became totally disabled before reaching age 18 and the disability has continued uninterrupted since that time. The definition of disability is the same as that covering disabled workers (inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration). Blind persons, however, will not be presumed to be disabled for the purposes of the cash disability benefits, although they may be determined to be disabled. Determinations of disability are to be made by State agencies.

To qualify for these benefits the disabled child must have been entitled to child's benefits before he reached age 18 or prove that he was

receiving at least half his support from the insured worker at the time his application for benefits was filed or the worker died. Mother's (or wife's) benefits are also to be paid to a mother who has in her care any child entitled to child's benefits. Such benefits will be payable for the first time for January 1957. Applications may be filed beginning October 1956.

The disabled child's benefit is reduced by the amount of any Federal benefit or workmen's compensation benefit payable to the child on account of disability; any excess that cannot be adjusted against the child's benefits is adjusted against the mother's or wife's insurance benefits payable solely because she has the disabled child in her care. No adjustment will be made in a wife's benefit, however, if the wife has attained age 62.

The 1956 amendments state that it is the policy of Congress that disabled adult children be promptly referred to State vocational rehabilitation agencies so that as many of them as possible may be prepared for gainful work. Benefits for both the disabled child and his mother will be suspended for his refusal to accept rehabilitation services without good cause. If, however, a child beneficiary who refuses rehabilitation services is a member or adherent of any recognized church or religious sect that relies on spiritual healing, he is deemed to have refused with good cause. Work for 1 year begun under a State vocational rehabilitation plan will not be regarded as substantial gainful activity and therefore will not require suspension or termination of the disabled child's benefits.

Extension of Coverage

At the end of 1955, 9 out of 10 of the Nation's gainfully employed workers were covered under old-age and survivors insurance, and about 86 out of 100 jobs were under contributory coverage. Beginning with 1957, contributory coverage will be extended to nearly 4 million persons who are in jobs not now covered; thus, about 92 out of 100 jobs will be covered under old-age and survivors insurance on a contributory basis.

The Social Security Amendments of 1956 add almost 900,000 to the

number now covered. The majority of those newly covered are farmers, but coverage is also extended to all previously excluded self-employed professional groups (except doctors of medicine) and to several small groups of employees. While a number of changes were made in the farm-worker coverage provisions, approximately the same number of farm workers are covered under the new amendments as were covered after the 1954 amendments.

The Servicemen's and Veterans' Survivor Benefits Act (Public Law No. 881) extends coverage to almost 3 million members of the uniformed services on a contributory basis, thus closing one of the major gaps in old-age and survivors insurance coverage. Major groups that continue to be excluded are most Federal civilian employees under retirement systems; in general, policemen and firemen covered by a State or local retirement system; low-income self-employed persons; and farm and domestic workers not regularly employed.

Self-employed professional groups.—The 1956 amendments extend coverage to more than 200,000 persons who are self-employed in the practice of specified professions. They bring under coverage the self-employment earnings of lawyers, dentists, osteopaths, chiropractors, veterinarians, naturopaths, and optometrists, effective with taxable years ending after 1955.

Farm owners and operators.—Under the 1954 amendments, farm owners and operators were permitted to report their agricultural self-employment (1) on the basis of actual net earnings, or (2) if net earnings were under \$1,800, on the basis of 50 percent of gross income, with up to \$900 being creditable. The 1956 amendments extend coverage to an estimated 220,000 additional farmers, effective with taxable years ending on or after December 31, 1956, by liberalizing the optional computation provision. Under the amendments, a farmer whose gross farm income in a year is at least \$600 and not more than \$1,800 is permitted to deem his net earnings to be two-thirds of gross income. If his gross income exceeds \$1,800 and net earnings are less than \$1,200, his net earnings may be

¹ House Report 2936 (84th Cong., 2d sess.), July 26, 1956.

deemed to be \$1,200. Members of farm partnerships and farmers who report for income-tax purposes on an accrual basis may now use the option.

Another 400,000 farmers have coverage made available under the so-called "material participation" clause. Income formerly classified as rentals will be covered if derived under an arrangement whereby the recipient participates materially (with the tenant, share farmer, etc.) in the production of agricultural or horticultural commodities. This provision is effective with respect to taxable years ending after 1955.

Confirmation is given to the interpretation of the old law, under which a person who undertakes to produce agricultural or horticultural commodities on the land of another, under an arrangement providing that the product shall be divided between such person and the owner or tenant of the land, is self-employed if his share depends on the amount of commodities produced. This provision is effective for taxable years ending after 1954.

Federal civilian employees.—Coverage is extended by the amendments to employees who are covered by the Tennessee Valley Authority retirement system and to members of Federal Home Loan Banks (all of whom are presently covered by a staff retirement system). The coverage is contingent in each instance upon the approval by the Secretary of Health, Education, and Welfare before July 1, 1957, of a plan for the coordination, on an equitable basis, of the benefits of the agency's retirement system with old-age and survivors insurance benefits. At the option of the agency, such coverage may be effective with the beginning of any calendar quarter between January 1, 1956, and July 1, 1957, inclusive. Some 13,000 employees of these agencies could be covered.

Waiver of policemen and firemen exclusion.—The amendments make an exception to the specific exclusion of policemen and firemen who are under a State or local retirement system to allow these employees to be covered under the referendum provisions in five States. Where the policemen and firemen (or both) are in a retirement system with other classes

of employees, they may be treated as having a separate retirement system. Coverage is made available to about 20,000 employees under this provision.

Farm workers.—The amendments make several changes in previous farm-worker coverage provisions that roughly offset one another as far as the number of persons who are covered under the program is concerned.

Under the 1954 amendments, a farm worker was covered with respect to his work for an employer if he was paid at least \$100 in cash wages by that employer in a calendar year. The 1956 amendments change the coverage test for farm workers, effective with respect to remuneration paid after 1956. Cash remuneration paid a worker by an employer in a calendar year is covered if (1) the amount of cash wages is \$150, or (2) the worker performs agricultural labor for the employer on 20 or more days during the year for cash wages computed on a time basis—that is, if the worker is paid by the hour, day, or week rather than on a piece-rate basis. As in the old law, a quarter of coverage is credited for \$100–\$199 of annual wages, 2 quarters for \$200–\$299, 3 quarters for \$300–\$399, and 4 quarters for \$400 or more.

The amendments provide that certain "crew leaders" are deemed to be the employers of the crew they furnish to perform agricultural labor for other persons, effective with respect to service performed after 1956. For this purpose, a crew leader is anyone who pays (on behalf of himself or of the person for whom the work is done) the members of his crew and who has not been designated, by written agreement with the person for whom the work is done, as an employee of that person.

The former exclusion from coverage of the services of contract workers from Mexico and the British West Indies is broadened to apply to agricultural workers temporarily admitted to this country from any foreign country. Turpentine workers continue to be excluded.

Other groups.—Under the amendments, coverage is made available for additional ministers who are American citizens and who are employed abroad—namely, those who, although not employed by an American em-

ployer, have a congregation that is composed predominantly of American citizens. Coverage is also made available to American citizens who are employees of a foreign company in which an American corporation holds 20 percent or more of the voting stock (rather than "more than 50 percent" of the voting stock as provided in the old law).

Three changes are made in the provisions relating to employees of non-profit organization. They permit the temporary reopening of the option to elect coverage, permit waiver certificates filed after 1956 to be effective in the quarter of filing if the organization desires, and validate certain waivers previously filed.

The amendments exclude from coverage service performed in the employ of any organization registered under the Internal Security Act of 1950 as a Communist-action, Communist-front, or Communist-infiltrated organization. The exclusion is applicable to service beginning in any quarter after June 30, 1956, during any part of which the organization is registered under that Act or in which there is in effect a final order of the Subversive Activities Control Board requiring such registration.

The amendments also contain three provisions that make exceptions in specified States to the general requirement that all members of a State or local retirement system are covered if any are covered. These provisions merely make coverage more readily obtainable for certain employees on the States or local level.

Members of the uniformed services.—The Servicemen's and Veterans' Survivor Benefits Act amends the Social Security Act to extend regular contributory coverage under old-age and survivors insurance, beginning January 1, 1957, to nearly 3 million members of the uniformed services on active duty (including active duty for training), with contributions and benefits computed on their basic service pay. The provision applies to members of the regular components of the uniformed services, including commissioned officers of the Public Health Service and of the Coast and Geodetic Survey, reserve officers and enlistees when on full-time duty or active duty for training, midshipmen

and cadets of the service academies, and members of the Reserve Officers Training Corps when ordered to annual training for a period of 14 days or more.

Public Law No. 881 also extends the period for providing gratuitous military wage credits of \$160 a month by including service in the active military or naval service after March 1956 and before January 1957. Gratuitous credits therefore apply to service in the Armed Forces after September 15, 1940, and before January 1, 1957. The law also provides for granting gratuitous wage credits retroactively for active service performed (1) as a commissioned officer of the Public Health Service after July 3, 1952, and before January 1, 1957, and (2) as a commissioned officer of the Coast and Geodetic Survey after July 29, 1945, and before January 1, 1957. Servicemen on active duty after December 1956 receive the wage credits of \$160 for military service performed after 1950 and before 1957 even though benefits based on such service (in whole or in part) are payable by one of the service staff retirement systems, the Coast and Geodetic Survey system, or the Public Health Service system.

The new law makes permanent the previous temporary provisions relating to old-age and survivors insurance lump-sum death payments when servicemen dying overseas are reburied in this country. Application for a lump-sum death payment (based on reimbursement for burial expenses) may be filed within 2 years of the interment or reinterment in this country of the body of a serviceman who dies overseas after June 24, 1950.

Public Law No. 881 also provides that the old-age and survivors insurance trust fund is to be reimbursed from general revenues for past and future expenditures resulting from the various provisions for the granting of \$160 monthly military wage credits and from the special provisions enacted in 1946 that granted insured status to certain World War II veterans who died within 3 years after leaving the service. These provisions have already resulted in payments from the trust fund of approximately \$200 million, and more than

\$600 million is expected to be paid out in the future. Reimbursement is to be made annually over a 10-year period for aggregate past expenditures through June 30, 1956. Reimbursement for future expenditures is to be made annually for benefits paid during the year.

Public Law No. 881 includes the following provisions that affect the Bureau of Old-Age and Survivors Insurance and the Veterans Administration, or the Bureau of Old-Age and Survivors Insurance and another Federal agency:

1. An application filed after December 1956 for compensation on the death of a veteran constitutes an application for survivor benefits under the old-age and survivors insurance program, and vice versa.

2. Survivors of servicemen who die after 1956 while in service or from service-connected causes incurred after September 15, 1940, and who are not entitled to old-age and survivors insurance benefits because the serviceman did not die insured are to receive monthly payments from the Veterans Administration under the same conditions as, and in amounts equal to, those that would have been payable under old-age and survivors insurance if the serviceman had died fully and currently insured.

3. Supplementary compensation payments are to be made by the Veterans Administration if the serviceman is survived by a widow and two or more children under age 18 and if the old-age and survivors insurance benefits are relatively low.

4. The gratuitous monthly wage credits of \$160 for military service provided under the Railroad Retirement Act are continued.

5. Coordination of military service credits under the Civil Service Retirement Act and under old-age and survivors insurance permits survivor annuitants under the Civil Service Retirement Act to waive all rights to a civil service survivor annuity and to use military service after September 15, 1940, and before January 1, 1957, for survivor benefits under old-age and survivors insurance. Military service performed after 1956 is not creditable under the Civil Service Retirement Act if any retirement or survivor benefit is currently payable

under old-age and survivors insurance.

Eligibility Conditions

The 1956 amendments lower to 62 the age at which women may qualify for benefits. Women eligible for benefits as widows or dependent parents may receive full benefits at age 62. As before, wives with child beneficiaries in their care may receive full benefits regardless of their age. Women who elect to receive a retired worker's or wife's benefit when they are between age 62 and age 65 will receive actuarially reduced benefits. Once such election has been made, benefits will continue to be paid in an actuarially reduced amount after age 65.

The reduction is $\frac{5}{8}$ of 1 percent for each month before age 65 that a retired woman worker draws an old-age insurance benefit and $\frac{25}{100}$ of 1 percent for each month before age 65 that a wife's benefit is drawn. Thus a woman who elects to receive an old-age insurance benefit for the month in which she attains 62 has her benefit amount reduced by 20 percent, and a woman who elects to receive a wife's benefit beginning at age 62 has her benefit amount reduced by 25 percent. If a wife or a retired woman worker who has elected to receive an actuarially reduced benefit later has her benefit suspended under the retirement test for at least 3 months, or a wife later receives a full benefit because she has had a child beneficiary in her care for 3 months or more, an automatic adjustment will be made in her benefit amount when she reaches age 65. This higher amount will be the benefit she receives after age 65.

The amendments suspend benefit payments to certain aliens who are outside the United States for more than 6 consecutive months. Payments are suspended unless the alien is a citizen of a country that has a social insurance or pension system of general application, under which monthly benefits (or their actuarial equivalent) would be paid to otherwise eligible American citizens if they returned to this country. Benefits are not suspended, however, if the individual upon whose earnings record the alien is receiving benefits has had at least 40 quarters of coverage or has lived in the United States for at

least 10 years, or if suspension would violate a treaty existing on August 1, 1956, between his country and the United States. Time spent outside the country in the active military or naval service of the United States does not cause suspension. If an alien whose old-age benefit is suspended dies while he is still outside the United States, no lump-sum death payment will be made. The amendment does not apply to aliens who are (or who upon application would be) entitled to receive benefits for December 1956. Beneficiaries who are living outside the United States in that month will, therefore, not have their benefits suspended.

Under the new law the courts may, at their discretion, as an additional penalty, terminate an individual's benefit rights based on his earnings before his conviction for crimes such as espionage, sabotage, treason, sedition, or other subversive activities. The amendment applies to convictions for crimes committed after August 1, 1956. The benefit rights of members of the convicted individual's family are not affected by the court's decision. Thus, for example, the wife of a convicted individual continues to have benefit rights based on his entire earnings record, even though his own rights could be based only on any earnings he might have after conviction.

Under the law in effect before the 1956 amendments, a widow who remarried lost all her rights to benefits based on the earnings record of her deceased husband. She gained rights on the earnings record of her second husband only after she had been married to him for at least 1 year or if the couple had a child, natural or adopted. If the second husband died before the year had elapsed and there were no children, she was left with no protection under the program. The 1956 amendments provide that a remarried widow's benefit rights based on the earnings record of her first husband will be restored if her second husband dies within a year of the marriage. The first husband would, of course, have to have been insured under the program before his death, and their marriage must have lasted for at least 1 year. Benefits for remarried widows who

become entitled under this amendment are first payable for November 1956 or the month of the second husband's death, if that is later.

The 1956 amendments extend for an additional 2 years the period for filing proof of support in claims for dependent husband's, widower's, and parent's benefits and for filing application for a lump-sum death payment based on the earnings record of an insured worker who died after 1946. The claimant must, however, show "good cause" for his failure to file within the first 2 years after the death or entitlement of the insured individual. If the original 2-year period has already expired, and "good cause" can be shown for failure to file the necessary proofs within that period, they can be filed at any time up to September 1, 1958. Monthly benefits will be paid for months after August 1956 on the basis of applications filed after August.

The amendments contain an alternative insured-status provision that will permit individuals first covered in 1956 to become insured on the same basis that the old law provided for persons first covered in 1955. An individual who earns a quarter of coverage in all but 4 of the quarters after 1954 and before July 1957 or, if later, the quarter in which he attains retirement age or dies, is fully insured. The amendment eases the insured-status requirement in many death cases before October 1960 and for many individuals who attain retirement age before that date. Thereafter, the normal requirements for insured status are no more difficult (or are less difficult) to meet than the special requirements in the amendment.

Benefits are not payable to persons under age 72 otherwise eligible for benefits if they have earnings above the annual and monthly amounts set out in the retirement test in the act. For beneficiaries engaged in noncovered work outside the United States, benefits are withheld for any month in which a beneficiary under age 72 works in noncovered employment on 7 or more different calendar days. The amendments of 1956 apply the money test, instead of the 7-day test, to members of the Armed Forces serving outside the United States in

1956. After 1956, service in the Armed Forces is covered employment under the program, and the annual money test will automatically apply but only to military basic pay.

Computation of Benefits

Under the new law, up to 5 years of low earnings may be "dropped out" in computing the average monthly wage of an insured individual regardless of the number of quarters of coverage he may have. The old law required that he have at least 20 quarters of coverage before 5 years of low earnings could be dropped in computing his benefits; otherwise only 4 years could be dropped. The amendment applies to the benefit computation for persons who become entitled in the future and, under specified circumstances, to a recomputation of benefits on the basis of applications filed on or after August 1, 1956. Persons newly covered in 1956 will thus be able to drop out all years of noncoverage after 1950 and before 1956.

The amendments also provide special starting and closing dates for determining the period over which the average monthly earnings are to be figured. They apply to an individual who becomes entitled in 1957 and who had at least 6 quarters of coverage after 1955 and before the quarter following the quarter of his death or entitlement, whichever occurred first. A starting date of December 31, 1955, and a closing date of July 1, 1957, may be used if a higher primary insurance amount would result. Total wages and self-employment income that can be counted in the 6-month period between December 31, 1956, and July 1, 1957, cannot exceed \$2,100, since \$350 is the maximum average monthly wage that can be used in computing the benefit. Provision is made, under circumstances similar to those stated in the previous law, for recomputation of benefits using the July 1, 1957, closing date if a higher primary insurance amount would result.

The amendments place the computation of benefits in disability cases on an annual basis that conforms with the method of computing benefits in other cases. For any part of a year that is included in a period of disability, the months and earnings

of that year are eliminated from the computation of the average monthly earnings. Months and earnings in the year in which the disability began may be included in the computation, however, if their inclusion results in a higher benefit amount.

Under the new law, an individual's earnings record may be corrected, even in periods normally barred to correction because of the statute of limitations, to include self-employment income not previously included for a year for which wages were deleted from the record as having been erroneously reported. Such self-employment income can be included, however, only if the amount was shown in a tax return or statement filed before the end of the time limitation, running from the taxable year in which the wage deletion was made.

Advisory Council on Social Security Financing

The amendments provide for the establishment of an Advisory Council on Social Security Financing to review the status of the old-age and survivors insurance trust fund and the disability insurance trust fund in relation to the long-term commitments of the old-age and survivors insurance program before each scheduled tax increase. The Commissioner of Social Security will serve as chairman of each Advisory Council. Twelve other members, appointed by the Secretary of Health, Education, and Welfare, will represent to the extent possible employees and employers in equal numbers and self-employed persons and the public. The first Council is to be appointed after February 1957 and before January 1958 and will report its findings and recommendations to the Secretary of the Board of Trustees of the Trust Fund not later than January 1, 1959, and for inclusion in the Trustees' Report to Congress by March 1, 1959. A new Council, similarly constituted and with the same functions and duties, will be appointed not later than 2 years before each scheduled increase in the tax rate and will report its findings and recommendations not later than January 1 of the year before the year in which the scheduled increase is to occur. In

each instance, the recommendations will be published in the next Trustees' Report.

Investments of Trust Fund

The 1956 amendments change the interest rate on investments held by the old-age and survivors insurance trust fund to reflect the essentially long-term character of the investments. The interest rate is to be based on the average rate of interest borne by all marketable, interest-bearing obligations of the United States not due or callable until after the expiration of 5 years from the date of original issue. Previously, the rate of interest for trust fund investments was equal to the average rate borne by all interest-bearing obligations of the United States without regard to maturities or marketability.

The average rate of interest, if it is not already a multiple of $\frac{1}{8}$ of 1 percent, will be rounded to the nearest multiple of $\frac{1}{8}$ of 1 percent rather than to the next lower multiple as under the previous law. These changes were recommended by the Board of Trustees of the Trust Fund. The same procedure is to be followed for the new disability insurance trust fund. The exclusion of interest rates on short-term obligations in fixing the rate for public-debt obligations for issue to the trust fund and the revised rounding procedure will increase the program's interest income, on the average and over the long-range future, by about \$160 million a year; the effect in the immediate future will be materially less. To make it clear that bonds purchased by the trust fund are as much a part of the public debt as any other obligations of the Federal Government, they are designated as "public debt obligations for purchase by the Trust Fund" in place of the designation under the old law, "special obligations issued exclusively to the Trust Fund."

Minor Technical Amendments

Beneficiaries who earn more than the amount of earnings permitted by the retirement test must report their earnings at the close of each year. The new legislation extends the deadline for filing annual reports of earnings from March 15 to April 15 to

conform with the deadline for income-tax reporting contained in the Internal Revenue Code of 1954. The amendments also conform the old-age and survivors insurance statute of limitations governing the period in which earnings records are open to correction to the time limit on filing claim for credit or refund of taxes under the 1954 Internal Revenue Code.

The amendments clarify the intent of the law that the Secretary may by regulation limit the time within which an individual may request a hearing after a decision has been made in his case. The regulations cannot prescribe a period less than 6 months after notice of a decision is mailed to the individual. Any individual who has not previously had a hearing on a notice of decision mailed before August 1, 1956, can request a hearing within 6 months after that date.

Financing Basis and Policy

At the time of the 1950 amendments, as well as since then, Congress has expressed its belief that the insurance program should be completely self-supporting from contributions from covered individuals and employers. Accordingly, in the 1956 amendments, the contribution schedule contained in the 1954 act was revised in recognition of the increased benefit costs involved. The rates for the calendar years 1957-59, formerly 2 percent each for employer and employee and 3 percent for the self-employed, are raised to 2 $\frac{1}{4}$ percent each for employer and employee and 3 $\frac{1}{2}$ percent for the self-employed. The schedule calls for further increases for the years 1960-64, 1965-69, 1970-74, and the rates will rise ultimately, for the year 1975 and thereafter, to 4 $\frac{1}{4}$ percent each for employer and employee and 6 $\frac{1}{2}$ percent for the self-employed.

The combined employer-employee rate in the new schedule is a 0.5-percent increase from that in the previous schedule. This amount is allocated for the monthly disability benefits and goes into a separate disability insurance trust fund. In essence, no increase in contributions was made for the old-age and survivors insurance benefits, since their

liberalization was offset by cost reduction factors—extension of coverage, change in the interest basis of the trust fund, and generally higher earnings levels. The contribution allocated for disability benefits is, according to the intermediate-cost estimate, slightly more than adequate to finance these benefits.²

Public Assistance

Matching Formulas

Under the Social Security Amendments of 1956, Federal funds to States are increased for public assistance to needy persons who are aged, blind, or disabled and to dependent children. Under the formula previously in effect the Federal share for payments to the aged, blind, and disabled was four-fifths of the first \$25 of the average monthly payment per recipient plus one-half the remainder, up to a maximum of \$55 a month on any individual payment. For dependent children, it was four-fifths of the first \$15 of the average monthly payment per recipient plus one-half the balance, up to maximums of \$30 each for the first child and the needy relative with whom the child lives and \$21 for each additional child. Under the new law, the maximum on payments to aged, blind, and disabled persons is increased to \$60, and the Federal share is raised to four-fifths of \$30 plus one-half the balance up to the maximum. For aid to dependent children the maximums are increased to \$32 each for the first child and the relative with whom the child lives and to \$23 for each additional child; the Federal share is made fourteen-seventenths of \$17 plus one-half the balance up to the maximum. These amendments are effective October 1, 1956, and are scheduled to expire on June 30, 1959.

The amendments do not provide for an automatic increase in the amount of the assistance payment. Whether recipients will get larger assistance payments as a result of the amendments depends on what the States do under their own laws and policies in administering the programs.

² For more complete details, see Robert J. Myers, "Old-Age and Survivors Insurance: Financing Basis and Policy Under 1956 Amendments," pages 16-20.

The States themselves decide if the additional Federal funds will be used to give assistance to more persons, to give more money to those already getting aid, or to save State and local funds. A State may use the money to do any one of these things or a combination of them.³ (The bill as amended by the Senate had contained a provision designed to require States to pass on to recipients the additional Federal funds to be provided under the Senate bill. This provision was not included in the bill as enacted.)

Medical Care

Federal matching in public assistance expenditures, including medical care, has been limited by the individual maximums on the amount of monthly payments that could be made to or on behalf of an individual with Federal financial participation. The 1956 amendments provide for dollar-for-dollar Federal sharing in expenditures for payments to suppliers of medical care (including expenditures for insurance premiums for medical care), over and above Federal matching in money payments to assistance recipients. In the programs for the aged, the blind, and the disabled the Federal Government will participate in such expenditures up to a maximum amount determined by multiplying \$6 a month by the number of recipients. In the program of aid to dependent children, the maximum is determined by multiplying \$3 a month by the number of children receiving assistance and \$6 a month by the number of relatives who are recipients. The provisions that many States, particularly those with limited fiscal capacity, make for the medical needs of public assistance recipients are inadequate. The purpose of the amendments is to assist the States in broadening and improving their provisions for meeting the costs of medical care for persons receiving assistance. These amendments are ef-

³ For information on how Federal increases under previous amendments were used see Ellen J. Perkins, "State and Local Financing of Public Assistance, 1935-55," *Social Security Bulletin*, July 1956, pages 7-8.

fective in the four public assistance programs beginning July 1, 1957.

Training of Public Welfare Personnel

An appropriation of Federal funds is authorized for training grants to the States to assist in increasing the number of adequately trained public welfare personnel available for work in public assistance programs. The Federal Government's share in total State expenditures for this purpose will be 80 percent, and Federal funds are authorized for a period of 5 years beginning July 1, 1957. The funds are to be used by States to make grants to institutions of higher learning for training personnel for the public assistance programs and for establishing fellowships or traineeships and special short-term courses of study. The authorization is \$5 million for the fiscal year ending June 30, 1958, and for the next 4 years in such amounts as Congress may determine.

Another amendment changes the definition of "State" in title XI of the Social Security Act to extend the provisions for training grants to Puerto Rico and the Virgin Islands.

Services in Assistance Programs

The amendments include provisions relating to services in the public assistance programs, designed to encourage the States to place greater emphasis on helping to strengthen family life and helping needy individuals to attain the maximum economic and personal independence of which they are capable.

The statements of purpose for all four public assistance programs have been amended to make explicit that, in addition to enabling the States to give financial aid to needy persons, the purpose is to encourage the States to provide services to help assistance recipients toward independent living. The amended statement in aid to dependent children emphasizes that a goal of the program is to help maintain and strengthen family life and to help keep children in their own homes. In the program for the aged the amendment makes it clear that services should be directed toward the achievement of self-care, while program objectives for the blind and the

disabled are directed toward assisting individuals to achieve self-support or self-care. Other amendments add to the provisions for the approval of State plans a requirement that State plans under the four public assistance titles include a description of any services the State makes available in order to achieve the purposes of the legislation. Except in old-age assistance, the plan must show the steps taken to assure maximum utilization of other agencies providing similar or related services. This requirement is effective July 1, 1957. The amendments also make it clear that the costs of administration in which the Federal Government shares include these services.

Extension of Aid to Dependent Children

Coverage under the program of aid to dependent children is broadened somewhat by two amendments that make possible Federal sharing in assistance to additional needy children. One provision adds "first cousin," "nephew," and "niece" to the relatives previously specified in the law with whom a dependent child may be living and receive aid under the program. The other change eliminates the provision in the law that permitted Federal sharing in assistance to children aged 16 and 17 only if they attend school regularly. These changes become effective July 1, 1957. They will permit additional children to have the advantages of family life with relatives and permit Federal sharing in assistance to a group of children unable to attend school because of illness or handicap or because school facilities are not available.

Grants to Puerto Rico and the Virgin Islands

Another amendment provides for Federal sharing in payments of aid to dependent children in Puerto Rico and the Virgin Islands with respect to the needy adult relative with whom the dependent child is living. The provision, already in effect elsewhere, is thus extended to these two jurisdictions.

The dollar limitation on total annual Federal payments for public assistance is increased from \$4,250,000

to \$5,312,500 for Puerto Rico and from \$160,000 to \$200,000 for the Virgin Islands. The provisions will enable these two jurisdictions to meet more nearly adequately the needs of persons qualifying for assistance. The amendments are effective for the fiscal year ending June 30, 1957, and thereafter.

Cooperative Research or Demonstration Projects

To learn more about the causes of dependency and to find the most effective means of dealing with dependency, a program of cooperative research or demonstration projects is established. Grants to, contracts with, or jointly financed cooperative arrangements with States and public and nonprofit organizations are authorized for sharing the cost of research or demonstration projects such as those related to the prevention or reduction of dependency, the coordination of planning between private and public welfare agencies, or the improvement of the administration and effectiveness of programs under the Social Security Act and related programs. The authorization for this purpose for the fiscal year ending June 30, 1957 is \$5 million and for later years amounts to be determined by Congress.

Child Welfare Services

Title V, part 3, of the Social Security Act authorizes appropriations for establishing, extending, and strengthening, especially in predominantly rural areas, public welfare services for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent. Appropriations are made within the amount authorized. This amount has been \$10 million in recent years. For the fiscal year 1957-58 and subsequent years, the authorized amount is increased to \$12 million.

Amendments to the Railroad Retirement Act

Public Law No. 880 makes the technical amendments in the Railroad Retirement Act necessary to maintain the present relationship between the railroad retirement program and old-age and survivors insurance.

These amendments make changes in the wording of the Railroad Retirement Act to take account of the old-age and survivors insurance amendment lowering to age 62 the retirement age for widows and modify the cost adjustment provisions of that act to take into account the newly established Federal disability insurance trust fund.

Legislative History

On June 20, 1955, the Committee on Ways and Means of the House of Representatives, under the chairmanship of Representative Jere Cooper, met in executive session. After that meeting, Chairman Cooper stated that he planned to submit, for Committee consideration, "proposals which would provide disability insurance benefits to persons working in covered occupations, lower from 65 to 62 years the age at which women beneficiaries may qualify for benefits, and the payment of benefits to disabled children age 18 and over."⁴

During the next few weeks, the Ways and Means Committee met in executive session, and on July 11 Mr. Cooper introduced H.R. 7225, which embodied the Committee's decisions. The bill was reported favorably by the Committee on July 14, with three minor technical amendments. It passed the House of Representatives on July 18 by a vote of 372 to 31 (with two members answering "present").

The Senate Committee on Finance, to whom the bill was referred, did not take any final action on it in 1955 because it was received so late in the session. Early in 1956, however—from January 25 to March 22—the Committee held public hearings on the bill and reported it favorably, with amendments, on June 5.

The bill passed the Senate, with a number of amendments from the floor, by a vote of 90 to 0 on July 17.

The conferees from the House and the Senate completed their report on the bill on July 26, and it was adopted by the House of Representatives and by the Senate on July 27. The bill was signed by the President on August 1, 1956, and became Public Law No. 880.

⁴ *Congressional Record*, June 21, 1955, page D590.

House Action on H.R. 7225

H.R. 7225, as introduced by Representative Cooper and as passed by the House in 1955, contained the following major provisions:

1. Monthly benefits at or after age 50 to insured workers who are totally and permanently disabled.

2. Lowering of the minimum retirement age for women from 65 to 62 (applicable to women workers, wives of insured workers, and widows and dependent mothers of deceased insured workers).

3. Monthly benefits continued to children over age 18 who became totally and permanently disabled before that age and who had been receiving child's benefits, either as the dependent of a retired worker or as the survivor of a deceased worker. (In such a case the wife of a retired worker or widowed mother under age 65 would continue to be eligible.)

4. Extension of coverage to all self-employed professional groups excluded under existing law except doctors of medicine (that is, to osteopaths, lawyers, dentists, veterinarians, chiropractors, naturopaths, and optometrists), to turpentine and gum naval stores employees, and to certain employees of the Tennessee Valley Authority and the Federal Home Loan Banks.

5. Crediting, for old-age and survivors insurance purposes, of income derived by an individual from the operation of a farm by another person if such an individual materially participated in the farm production.

6. Increase in the contribution schedule by 1 percent in the combined employer-employee rate, so that the rate would be 5 percent until 1960, 6 percent for 1960-64, 7 percent for 1965-69, 8 percent for 1970-74, and 9 percent for 1975 and thereafter. The rate for the self-employed would be increased by $\frac{1}{4}$ of 1 percent.

7. Creation of an Advisory Council on Social Security Financing to study the financial status of the old-age and survivors insurance program before each scheduled increase in the contribution schedule.

8. Various technical provisions that would preserve the relationship between the railroad retirement and old-age and survivors insurance pro-

grams, as well as make certain corrections and minor improvements in the existing law—for example, prescribing yearly, rather than quarterly, elimination of periods of disability in the benefit computations.

There were no public assistance or child welfare provisions in H.R. 7225 as introduced in and passed by the House in 1955.

Identical bills carrying out the President's recommendations for public assistance, made to the second session of the Eighty-fourth Congress, were, however, introduced in the House by ranking members of the House Committee on Ways and Means. Representative Cooper introduced H.R. 9120 and Representative Reed, H.R. 9091. In the Senate an identical bill (S. 3139) was introduced by Senator Martin.

In April 1956 the House Committee on Ways and Means held public hearings on H.R. 9120, H.R. 9091, H.R. 10283, H.R. 10284, and other bills relating to public assistance and child health and welfare services.

Senate Committee Action on H.R. 7225

Old-age and survivors insurance.—The Senate Committee on Finance, reporting on June 5, 1956, made the following changes in the bill as passed by the House:

1. Elimination of the provision for monthly disability benefits.

2. Elimination of the provision lowering the minimum retirement age for women from 65 to 62, except for widows.

3. Expansion of the provision for monthly benefits for disabled children aged 18 and over by eliminating the requirement that such a child must have been receiving benefits before age 18.

4. Elimination of extension of coverage to self-employed osteopaths, turpentine and gum naval stores employees, and certain employees of the Tennessee Valley Authority and the Federal Home Loan Banks.

5. Elimination of the proposed increases in the contribution schedule.

6. Revision of the basis for interest rates on special obligations issued to the trust fund to take into account long-term interest rates.

7. Revision of the optional reporting provisions for low-income farmers so that those in this category could secure more protection under old-age and survivors insurance.

8. Inclusion of special provisions applicable to certain States so that additional groups of State and local government employees could be covered.

9. Modification in the coverage test for farm workers to require (instead of the existing requirement of \$100 or more of cash wages paid by an employer during a calendar year) either \$200 or more of such wages or, regardless of earnings, employment by a given employer for 30 or more days during a calendar year on a payment basis computed on some unit of time. Under another provision the crew leader, rather than the farm operator, would be considered as the employer.

10. Extension of coverage, on a voluntary basis, to certain ministers residing abroad and to American employees of certain foreign corporations.

11. Exclusion from coverage of all foreign temporary agricultural workers (the existing law applied only to those from Mexico and the British West Indies).

12. Suspension of benefit payments to aliens outside the United States for more than 3 months if such alien's country would not pay benefits to a United States citizen under similar conditions.

13. Additional minor improvements were made in the old-age and survivors insurance program, including a provision that would give a 2-year extension of the period within which application for lump-sum payment must be filed or within which dependents may file proof of support where there is good cause for failure to file within an initial 2-year period, and restoration of benefit rights to a widow who remarries but is not eligible for benefits on her second husband's record because the new marriage was terminated by his death in less than a year.

Public assistance.—Although H.R. 7225 as passed by the House in 1955 contained no public assistance provisions, during the public hearings on the bill before the Senate Finance

Committee in 1956 testimony was presented on various public assistance proposals. Many proposed public assistance amendments to H.R. 7225 were filed in the Senate. As H.R. 7225 was reported by the Senate Finance Committee, it contained the following public assistance provisions:

1. Separate Federal matching of expenditures for medical care on behalf of recipients of assistance on a 50-50 basis, up to an average expenditure of \$8 per adult and \$4 per child receiving aid.

2. Changes in the statement of purpose for the programs of aid to the blind and aid to the permanently and totally disabled to make clear that welfare services to assist individuals to self-support or self-care are program objectives, and in aid to dependent children to emphasize that services to strengthen family life are a major objective of that program.

3. Grants to States to share in the cost of training public welfare personnel, with Federal funds meeting 100 percent of the cost for 10 years and 80 percent thereafter. Federal funds for training made available to Puerto Rico and Virgin Islands by an amendment to the definition of "State" in the law.

4. Grants to States and to public and nonprofit organizations to share in the cost of research or demonstration projects, such as the prevention of dependency.

5. Expansion of aid to dependent children by adding "first cousin," "nephew," and "niece" to the relatives with whom a dependent child may be living and be eligible to receive assistance; elimination of the requirement of school attendance for Federal matching in assistance to children aged 16 and 17.

6. Extension of the temporary Federal matching formula then in effect to June 30, 1959.

Senate Floor Action

Old-age and survivors insurance.—On July 17 the Senate passed H.R. 7225 as amended, by a unanimous vote. Eighteen additional amendments were adopted, four were rejected, and two were presented but withdrawn.

The 10 amendments adopted that

affected the old-age and survivors insurance program were:

1. The Morse amendment to add Oregon to those States whose policemen and firemen may elect to be covered, subject to the referendum provisions.

2. The George amendment to provide for disability insurance to totally and permanently disabled workers at age 50 and to establish a separate Federal disability insurance trust fund.

3. The Kerr amendment to lower the minimum eligibility age for women to 62, with actuarially reduced benefits for wives and working women as early as age 62.

4. The Capehart amendment to clarify coverage on the basis of "material participation in production" by specifying that "material participation in the management of production" shall also constitute covered self-employment.

5. The Thye amendment to add Minnesota to the specified States that may elect to cover certain employees of State departments of unemployment compensation who are under a retirement system.

6. The Curtis amendment to make child's insurance benefits payable to a child with respect to whom the insured individual had stood in loco parentis for at least 5 years before the insured individual's death.

7. The Humphrey amendment to add Minnesota to the specified States that may elect to cover nonprofessional school employees who are under a retirement system.

8. The Williams amendment to withhold insurance benefits from persons convicted of espionage, sabotage, treason, or subversive activities.

9. The Smathers amendment to add Florida to those specified States that may elect to cover certain State and local government employees who are under State and local retirement systems.

10. The Humphrey amendment to provide, in connection with the disability provisions, that any refusal to accept medical or surgical services for rehabilitation would be considered to be for "good cause."

The amendments affecting old-age and survivors insurance that were

defeated on the Senate floor were:

1. The McCarthy amendment to lower the retirement age to 62 for men and 60 for women.

2. The McCarthy amendment to change the annual exempt amount under the earnings test from \$1,200 to \$1,800.

The amendments withdrawn were:

1. The Morse-Neuberger amendment to the Internal Revenue Code to provide that, in determining whether a child or stepchild who was drawing survivor benefits under a public retirement system was receiving more than half his support from the taxpayer, only the portion of such benefit in excess of \$600 in a calendar year would be considered.

2. The Lehman amendment to count tips as wages under old-age and survivors insurance.

Public assistance.—In addition to the Senate Finance Committee amendments, the following amendments affecting public assistance were adopted by the Senate.

1. The Long-George amendment increasing Federal matching in old-age assistance, aid to the blind, and aid to the permanently and totally disabled to five-sixths of \$30 and one-half the remainder up to new maximums of \$65, and extending the present formula in aid to dependent children to June 30, 1959. (To receive the additional funds, the States would have to maintain average payments per recipient at specified levels or meet other qualifications.)

2. The Douglas amendment to the Committee's amendment for separate financing of medical care, providing in addition that the Federal Government would share in the amount by which the maximum possible Federal matching of cash payments exceeded the amount actually matched with Federal funds.

3. The Douglas amendment providing that States may disregard up to \$50 in net earned income in determining need for old-age assistance.

4. The Kefauver amendment requiring that a State plan shall provide that there will be no discrimination on the basis of sex in determining the needs of individuals receiving assistance under the plan.

5. The Lehman amendments in-

creasing the dollar limitation on total Federal payments to \$300,000 for the Virgin Islands and to \$5,312,500 for Puerto Rico, and providing Federal matching in payments of aid to dependent children with respect to a needy relative caring for dependent children.

6. The Humphrey amendment deleting the phrase "reduce dependency and" from the declaration of purpose of the public assistance amendments in clause (c) of section 300 of the bill.

Two other proposed public assistance amendments that came to a vote were rejected:

1. The Kefauver proposal that, in determining need in old-age assistance, States shall disregard the ownership of a home having an assessed value of less than \$5,000 less encumbrances, except to the extent of rental income therefrom.

2. The Magnuson proposal, which would have increased the Federal matching formula in aid to dependent children and included a provision, as in the Long-George amendment, that States maintain a specified average payment or meet other qualifications to receive the additional funds.

In addition to the amendments relating specifically either to old-age and survivors insurance or to public assistance, the Senate adopted the Payne-Potter amendment that would have provided for the establishment of a United States Commission on the Aging and Aged. Senate action on child welfare services is described later.

Conference Action

The House-Senate conferees reached agreement on July 26. They took the following actions on the substantive differences between the House and Senate versions of the bill.

Old-age and survivors insurance.—In provisions affecting old-age and survivors insurance, the conferees agreed to the Senate provisions, except as follows:

1. Made available actuarially reduced insurance benefits for wives and women workers at age 62 as in the Senate bill, but with some modification in the method of adjustment when a woman qualifies for two types of benefits.

2. Rejected the Senate amendment to provide that any refusal to accept medical or surgical services for rehabilitation would be considered to be for "good cause." Retained the provision that such refusal would be for "good cause" for the adherents of a church or sect relying solely on spiritual means for curing impairments.

3. Extended coverage to employees of the Federal Home Loan Banks and Tennessee Valley Authority, as in the House bill, but only if the Secretary of Health, Education, and Welfare approves, before July 1, 1957, plans for coordinating the staff retirement system of these agencies with the old-age and survivors insurance program and reports to Congress before that date.

4. Agreed to the Senate provisions (except with respect to Indiana) modifying the conditions under which specified States may elect to cover members of retirement systems.

5. Extended coverage to self-employed osteopaths, as in the House bill.

6. Raised the amount of earnings required from a single farm employer for coverage of farm workers, but to \$150 rather than \$200 as in the Senate bill. Also provided an alternative time test for coverage—20 days rather than the 30 days in the Senate version.

7. Changed the optional method of computing net income by farmers as in the Senate version but provided that, if gross farm income is at least \$600 and not more than \$1,800, the farmer could deem net farm earnings to be two-thirds of gross farm income; if gross income exceeds \$1,800 and net earnings are less than \$1,200, net earnings may be deemed to be \$1,200. Use of the option is extended to members of farm partnerships and farmers who report on accrual basis.

8. Provided for suspension of benefits of aliens who are outside the United States, but with more limited applicability than in the Senate version. Suspension would begin to apply after the sixth month of absence from the United States, but there would be no suspension if the insured worker had 10 years of residence in the United States or 40 quarters of coverage, or if suspension would vi-

olate an existing treaty, or if the alien is a citizen of a country that has a social insurance or pension system and pays benefits to eligible United States citizens who leave that country.

9. Eliminated the Senate amendment to make child's insurance benefits payable to a child with respect to whom the insured individual has stood in loco parentis for at least 5 years before the insured individual's death.

10. Modified the Senate amendment to withhold insurance benefits from persons convicted of certain subversive activities by providing that a Federal court, in passing sentence on an individual convicted of an offense committed (after enactment) under specified statutes (relating to seditious activities) may wipe out the benefit rights of the convicted individual based on earnings up to and including the quarter in which conviction occurs. Also provided for removal from coverage after June 30, 1956, of service for organizations while they are registered, or while there is in effect a final order of the Subversive Activities Control Board requiring such organizations to register, as a Communist-front or similar organization.

Public assistance.—The conferees agreed to the public assistance amendments made by the Senate, except that they:

1. Modified the Senate provision for separate financing of State expenditures for medical care on behalf of recipients by reducing the maximum to an average expenditure of \$6 per adult and \$3 per child receiving assistance and by deleting the provisions of the Douglas medical care amendment that had been adopted by the Senate.

2. Modified the Senate amendment with respect to services by including provisions to emphasize that, in old-age assistance, services to assist individuals to attain self-care are program objectives, along with the objective of providing income to meet current needs.

3. Modified the Senate provision for training grants by limiting the Federal grant to 80 percent of total State expenditures for this purpose and to a 5-year period.

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4. Modified the matching formula adopted by the Senate to four-fifths of \$30 plus one-half the remainder up to a maximum of \$60 for the programs for the aged, the blind, and the disabled; deleted the special qualifications for the receipt of matching under the new formula; and, in Federal matching in aid to dependent children, provided for an increase to fourteen-seventenths of \$17 plus one-half the remainder up to new maximums of \$32 each for the first child and the needy relative with whom the child lives and \$23 for each additional child; and established an expiration date of June 30, 1959, for these amendments.

5. Modified the Senate increase in the dollar limitation on total public assistance grants to the Virgin Islands by reducing the increased amount to \$200,000.

6. Eliminated the Senate provision permitting the States to disregard certain earned income in determining need in old-age assistance.

7. Eliminated the Senate provision relating to the prohibition of discrimination on the basis of sex in determining an individual's need for assistance.

The conferees also agreed to eliminate the Senate amendment providing for the establishment of a United States Commission on the Aging and Aged.

Child Welfare Services

On January 31, 1955, H.R. 3292 was introduced by Representative Reed. This bill, which was recommended by the Administration, provided for amending title V, parts 1, 2, and 3, of the Social Security Act to: (1) earmark a portion of the appropriation for each of the three programs—maternal and child health services, child welfare services, and services for crippled children—for extension and improvement grants; (2) require variable matching on the same formula for all three programs; (3) authorize making a portion of each appropriation available for special project grants; and (4) broaden present provisions of the law for using Federal child welfare funds for the return of runaway children. No

hearings were held, and no action was taken by Congress.

After Congress adjourned in 1955, the Administration made a further review of needs and developments in the States with respect to the three programs. In the light of this review, new legislative proposals for amending title V were submitted to Congress in 1956. In his State of the Union message in 1956, the President stated that needs in the area of social welfare included increased child welfare services. S. 3297, H.R. 10283, and H.R. 10284, identical bills, were subsequently introduced in Congress. These bills incorporated the President's recommendations with regard to increased child welfare services and the Administration's proposals for additional amendments to title V.

The proposed amendments would have accomplished the following purposes: (1) increase authorizations for annual grants to the States for child welfare services from \$10 million to \$12 million for the fiscal year ending June 30, 1958, and to \$15 million for each year thereafter; (2) remove present requirements that Federal child welfare funds for local child welfare services may be used only in predominantly rural areas and permit their use in any part of a State where the money would be effective in establishing, extending, and strengthening child welfare services, although emphasis would still be placed on services in rural areas; (3) explicitly authorize the use of Federal grants to pay for the foster care of children; (4) provide, for the first time, that a portion of the annual appropriation for child welfare grants may be used to pay for special projects of regional or national significance; (5) provide, for all three programs under title V, that grants for special projects may go either to State agencies or, with their concurrence, to any public or nonprofit institution of higher education or research; and (6) require that States, to be entitled to Federal child welfare grants, match these grants with State and local expenditures, the amounts varying with the per capita incomes of the States.

At the hearings held by the Senate Finance Committee on H.R. 7225 in March 1956, some witnesses testified

on the amendments proposed in S. 3297. The House Ways and Means Committee held hearings on H.R. 10283 and H.R. 10284 in April 1956. Many organizations, both public and voluntary, expressed support of these bills to the Committee.

None of these three bills was reported out. However, in the floor debate on H.R. 7225, the Senate passed an amendment proposed by Senator Lehman and Senator Bush, raising the amount of the annual appropriation authorized for child welfare services from \$10 million to \$12 million. H.R. 7225, as finally passed by both Houses and approved by the President, contained this amendment, which becomes effective July 1, 1957.

Servicemen's and Veterans' Survivor Benefits Act

President Eisenhower, in his State of the Union message of January 6, 1955, recommended that "full contributory coverage should be made available to all Federal personnel, just as in private industry." With respect to the Armed Forces, the President stated: "For career military personnel the protection of the old-age and survivors insurance system would be an important and long-needed addition, especially to their present unequal and inadequate survivorship protection." This recommendation supported the proposals of the President's Committee on Retirement Policy for Federal Personnel (the Kaplan Committee), which studied the problem of retirement and survivor benefits for members of the uniformed services and similar problems for other Federal employees from December 1952 to June 1954.

The recommendations of the Committee on Retirement Policy for Federal Personnel in regard to the uniformed services were studied by the House of Representatives Select Committee on Survivor Benefits, established pursuant to House Resolution 549 (Eighty-third Congress, August 4, 1954). Time, however, did not permit a complete study of all the complex problems involved, although it was recommended that the general principle of old-age and sur-

(Continued on page 31)

Old-Age and Survivors Insurance: Financing Basis and Policy Under 1956 Amendments

by ROBERT J. MYERS*

In the 1956 amendments to the Social Security Act, Congress continued its policy of making the old-age and survivors insurance program self-supporting. The amendments included provisions increasing the cost of the program, but the greater cost—except for the new disability insurance benefits—is roughly offset by cost-reduction factors. To finance the disability benefits, the tax rate was increased and a separate trust fund established. The effects of the 1956 legislation are included in the consideration of program financing that follows.

CONGRESS has always strongly believed that the old-age and survivors insurance program should be actuarially sound, and it has therefore carefully studied the cost aspects of any new benefit provisions when amendments to the law are being considered. At the time of the 1950 amendments, Congress expressed its belief that the program should be completely self-supporting from contributions of covered individuals and employers; accordingly, it repealed the provision permitting appropriations to the program from the general revenues of the Treasury. In the amendments of 1952 and 1954, and again in the Social Security Amendments of 1956,¹ Congress continued to indicate its conviction that the tax schedule in the law should make the program as nearly self-supporting as can be foreseen or, in other words, actuarially sound.

The concept of actuarial soundness as it applies to old-age and survivors insurance differs considerably from its application to private insurance, although there are certain points of similarity—especially among the private pension plans.

The most important difference stems from the fact that a social insurance system can be assumed to be perpetual in nature, with a continuous flow of new entrants as a result of its compulsory character.

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¹ For a summary of the amendments affecting the old-age and survivors insurance program see pages 3-15.

Accordingly, it may be said that the old-age and survivors insurance program is actuarially sound if it is in actuarial balance because future income from contributions and interest earnings on the accumulated trust fund will, in the long run, support the disbursements for benefits and administrative expenses. Obviously, future experience may be expected to vary from the actuarial cost estimates made now, but the intent that the program be self-supporting, or actuarially sound, can be expressed in the law by using a contribution schedule that, according to an intermediate-cost estimate, results in the system being in balance, or in approximate balance.

The Social Security Amendments of 1956 showed again the conviction of Congress that the program should be kept on an actuarially sound basis. To finance the disability benefits provided by the 1956 law, the contribution rate was increased and a trust fund separate from that for old-age and survivors insurance benefits was established. The amendments affecting the eligibility age for women and providing for payments of benefits to adult, disabled children raised the cost of the old-age and survivors insurance benefits, but this increase was roughly offset by factors reducing the cost—extension of coverage, the change in the interest basis of the trust fund, and higher earnings levels.

The program's actuarial balance under the 1952 act was estimated, at the time the legislation was adopted,

to be virtually the same as in the estimates made at the time of the 1950 amendments; the reason was that the rise in earnings levels in the 3 years preceding the enactment of the 1952 law had been taken into consideration in the 1952 estimates. New cost estimates made after the enactment of the 1952 law indicated that the level-premium cost (that is, the average long-range cost, based on discounting at interest, in relation to payroll) of the benefit disbursements and administrative expenses was somewhat more than one-half of 1 percent of payroll higher than the level-premium equivalent of the scheduled taxes (including allowance for interest on the existing trust fund).

The 1954 amendments as passed by the House of Representatives contained an adjusted contribution schedule that not only met the increased cost of the benefit changes in the bill but also reduced the lack of actuarial balance to the point where, for all practical purposes, it was sufficiently provided for. The Senate, however, added several liberalized benefit provisions without any offsetting increase in contribution income. Accordingly, although the bill met the increased cost of the new benefit provisions, it left the "actuarial insufficiency" of the 1952 act substantially unchanged. The benefit costs for the 1954 amendments as finally enacted fell between those of the House-approved and Senate-approved bills. Thus, it may be said that under the 1954 act the increase in the contribution schedule met all the additional cost of the benefit changes made and also at the same time reduced substantially the "actuarial insufficiency" that the estimates had indicated in the financing of the 1952 act.

Recent operating experience of the program has indicated that earnings levels have risen by about 15 percent

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from those used in the previous actuarial estimates, which were based on 1951-52 levels. With this factor taken into account, the "actuarial insufficiency" under the 1954 act was reduced to the point where, for all practical purposes, it may be said to have been nonexistent. Accordingly, the system was in approximate actuarial balance. It is recognized that future cost estimates, particularly if earnings continue to rise, may indicate that a schedule of lower contribution rates would provide for a self-supporting program. Despite this possibility, the House Ways and Means Committee stated in its report on the 1956 amendments that the policy should be one of utmost prudence to assure the program's continuing actuarial soundness.

Estimates of the future cost of the old-age and survivors insurance program (including the cost of the new disability insurance benefits) are affected by many factors that are difficult to determine. The assumptions used in the actuarial cost estimates may therefore differ widely and yet be reasonable. Benefit payments

Table 1.—Estimated progress of old-age and survivors insurance trust fund under 1956 amendments, based on high-employment assumptions

[In millions]

Year	Contributions	Benefit payments	Administrative expenses	Interest ¹	Balance in fund
Low-cost estimate					
1960.....	\$9,055	\$7,639	\$140	\$676	\$27,333
1970.....	14,389	11,867	157	1,227	49,594
1980.....	18,614	15,987	186	2,368	94,667
1990.....	20,278	19,322	215	3,508	138,818
2000.....	22,519	20,550	232	4,850	192,242
2020.....	26,455	26,394	287	9,372	369,722
High-cost estimate					
1960.....	\$8,976	\$8,589	\$177	\$619	\$24,524
1970.....	14,241	13,418	206	728	29,030
1980.....	18,138	18,017	248	1,109	43,692
1990.....	19,027	21,978	285	952	35,942
2000.....	20,299	23,906	308	134	3,346
2020.....	21,013	31,489	371	(²)	(²)

¹ At 2.6-percent rate.

² Fund exhausted in 2001.

may be expected to increase continuously for at least the next 50-70 years because of such factors as the aging of the population and the slow but

steady growth of the benefit rolls that is inherent in any retirement program, public or private, that has been in operation for only a relatively short period.

The cost estimates are shown first within a range, to indicate the possible variation in future costs depending on the actual trend developing for the various cost factors. Both the low- and high-cost estimates are based on high economic assumptions, intended to represent nearly full employment, with average annual earnings at about the level prevailing in 1955. Intermediate estimates developed by averaging the low- and high-cost estimates are then shown to indicate the basis for the financing provisions.

In general, the costs are shown as a percentage of covered payroll. This is the best measure of the financial cost of the program. Dollar figures taken alone are misleading. A higher earnings level, for example, will increase not only the outgo but also, and to a greater extent, the income of the program. As a result, the cost in relation to payroll will decrease. The low- and high-cost assumptions therefore relate to the cost as a percentage of payroll in the aggregate and not to the dollar costs. The two cost assumptions are based on possible variations in fertility rates, mortality rates, retirement rates, remarriage rates, labor-market withdrawal rates, and so forth.

An important measure of long-range cost is the level-premium contribution rate required to support the system in perpetuity, based on discounting at interest. It is assumed here that benefit payments and taxable payrolls remain level after the year 2050. (Actually, the relationship between benefits and payroll is virtually constant after about 2020.) If a level rate under such an assumption were adopted, relatively large accumulations in the old-age and survivors insurance trust fund would result, and in consequence there would eventually be a sizable income from interest. Even though this method of financing is not followed, the concept may nevertheless be used as a convenient measure of long-range costs. This cost concept has a special value in comparing possible

alternative plans and provisions, since it takes into account the heavy deferred load.

The cost estimates have not taken into account the possibility of a rise in earnings levels, although such a rise has characterized the history of this country. If this assumption were

Table 2.—Estimated progress of disability insurance trust fund under 1956 amendments, based on high-employment assumptions

[In millions]

Year	Contributions	Benefit payments	Administrative expenses	Interest ¹	Balance in fund
Low-cost estimate					
1957.....	\$724	\$73	\$14	\$8	\$645
1958.....	902	239	18	25	1,315
1959.....	910	306	21	42	1,940
1960.....	918	375	25	57	2,515
1965.....	972	483	19	133	5,468
1970.....	1,036	572	23	213	8,633
1975.....	1,094	644	25	302	12,119
High-cost estimate					
1957.....	\$718	\$160	\$30	\$7	\$535
1958.....	894	520	40	18	887
1959.....	901	657	45	26	1,112
1960.....	908	796	52	30	1,202
1965.....	959	989	39	33	1,278
1970.....	1,023	1,136	46	22	804
1975.....	1,078	1,255	50	(²)	(²)

¹ At 2.6-percent rate.

² Fund exhausted in 1975.

used in the cost estimates, along with the unlikely assumption that there would be no accompanying change in benefits, the cost in relation to payroll would, of course, be lower. If benefits were to be adjusted to keep pace with rising earnings trends, the year-by-year costs as a percentage of payroll would be unaffected. The level-premium cost, however, would be higher, especially for the old-age and survivors insurance benefits, since under such circumstances the relative importance of the interest receipts of the trust funds would gradually diminish. If earnings do rise consistently, the financing basis of the program will need thorough consideration because then the interest receipts of the trust funds will meet a smaller proportion of the benefit costs than would otherwise be anticipated.

Under the provision for financial interchange between the railroad retirement program and the old-age

and survivors insurance program, the old-age and survivors insurance trust fund and the disability insurance trust fund are to be placed in the same financial position as if railroad employment had always been covered under the old-age and survivors insurance program. The long-range costs developed here are for the operation of the trust funds on the basis, as provided in the law, that all railroad employment will be (and beginning in 1937, has been) covered employment. The balance in the funds thus corresponds exactly to the actual situation arising. The contribution income and benefit disbursements shown are, however, slightly higher (by about 5 percent) than the payments that will actually be made directly to the trust funds from contributors and the payments that will actually be made from the trust funds to the individual beneficiaries. The reason is that these amounts include both the additional contributions that would have been collected and the additional benefits that would have been paid if railroad employment had always been covered. The balance for these two elements is to be accounted for in actual practice by the operation of the financial interchange provisions.

Results of High- and Low-Cost Estimates

The level-premium cost of the benefits provided as a result of the 1956 amendments, on the basis of 2.6-percent interest, ranges from approximately 7.0 percent to 9.1 percent of payroll (including disability benefits as well as old-age and survivors insurance benefits).²

Table 1 shows the estimated operations of the old-age and survivors insurance trust fund, and table 2 relates to the new disability insurance trust fund set up by the 1956 amendments. Under the low-cost estimate, the old-age and survivors insurance trust fund builds up rapidly; by the

Table 3.—Changes under 1956 amendments in estimated level-premium cost¹ of benefit payments as percent of payroll, based on intermediate-cost estimate and high-employment assumptions

Item	Level-premium cost ¹
Cost of 1954 act (2.4-percent interest):	
1954 estimate (based on 1951-52 earnings level).....	7.77
Current estimate (based on 1955 earnings level).....	7.45
1956 changes:	
Lowering minimum eligibility age for widows and dependent mothers to 62.....	+1.19
Lowering minimum eligibility age for women workers and wives to 62....	+1.03
Payment of monthly disability benefits after age 50 ¹	+1.42
Payment of disabled child's benefits....	+1.01
Extension of coverage.....	-1.11
Revised interest basis for trust-fund investments.....	-1.14
Total effect of changes.....	+4.40
Cost of program as amended in 1956 (2.6-percent interest).....	7.85

¹ Level-premium contribution rate for benefit payments after 1955 and in perpetuity; takes into account (a) the lower contribution rate for the self-employed, compared with the employer-employee rate, (b) the existing trust fund, and (c) administrative expenses.

² Includes administrative expenses.

year 2000 it is growing at a rate of about \$7 billion a year and amounts to about \$190 billion. The disability insurance trust fund is estimated to grow steadily, reaching about \$12 billion in 1975, at which time its annual rate of growth is about \$700 million. For both trust funds, benefit disbursements do not exceed contribution income in any year shown.

Under the high-cost estimate, on the other hand, the old-age and survivors insurance trust fund builds up to a maximum of \$45 billion in about 25 years (although it remains virtually level at about \$25 billion during the 1960's) but decreases thereafter until it is exhausted shortly after the year 2000. Benefit disbursements from this fund are smaller than contribution income during most of the years before 1980. (The exceptions are the years shortly before the several scheduled rises in the contribution rate, and even then, interest receipts are usually sufficient to offset such deficits.) Under the high-cost estimate for the disability insurance trust fund, in the early years of operation contribution income materially exceeds benefit outgo. The difference is especially great in 1957 because contributions will be

collected during most of the year and benefits will be payable only for the latter half of the year; actually only 5 months' disbursements will come out of the trust fund because benefits are payable after the end of the month to which they apply. The disability insurance trust fund, as shown in this estimate, amounts to about \$500 million by the end of 1957 and then slowly increases, reaching a maximum of about \$1.3 billion between 1960 and 1965; from that point the fund slowly diminishes until in 1975 it is exhausted. Obviously, if actual operating experience were less

Table 4.—Estimated cost of benefit payments under 1954 and 1956 acts, based on intermediate-cost estimate and high-employment assumptions

Year	Amount (in millions)		Percent of payroll ¹	
	1954 act	1956 act ²	1954 act	1956 act ²
1957.....	\$6,344	\$6,945	3.61	3.83
1958.....	6,714	7,648	3.79	4.18
1959.....	7,084	8,182	3.97	4.43
1960.....	7,454	8,699	4.14	4.67
1970.....	12,057	13,496	5.92	6.42
1980.....	16,236	17,988	7.28	7.83
1990.....	19,789	21,609	8.28	8.80
2000.....	21,370	23,369	8.19	8.73
2020.....	27,833	30,192	9.60	10.18
Level-premium rate ²			7.45	7.85

¹ Takes into account lower contribution rate for the self-employed, compared with the employer-employee rate.

² Includes monthly disability benefits.

³ For benefit payments after 1955 and in perpetuity; takes into account (a) lower contribution rate for the self-employed, compared with the employer-employee rate, (b) the existing trust fund, and (c) administrative expenses. Assumes that benefits and payrolls remain level after the year 2050. Based on 2.4-percent interest rate for 1954 act and on 2.6-percent interest rate for 1956 act.

favorable than under the high-cost estimate, the fund would rise to a lower maximum and would be exhausted earlier.

These results are consistent and reasonable, since on an intermediate-cost estimate basis the program is intended to be approximately self-supporting. Accordingly, a low-cost estimate should show that the program is more than self-supporting, whereas a high-cost estimate should show that a deficiency would arise later on. In actual practice, under the philosophy embodied in the 1950, 1952, and 1954 acts, set forth in the reports of the Congressional Committees and continued in the 1956 amendments, the

² For more details on the cost estimates see *Actuarial Cost Estimates for the Old-Age, Survivors, and Disability Insurance System as Modified by Amendments to the Social Security Act in 1956*, prepared for the use of the House Committee on Ways and Means by Robert J. Myers, Actuary to the Committee, July 23, 1956.

tax schedule would be adjusted in future years so that neither of the developments of the trust funds shown in tables 1 and 2 would ever eventuate. If experience followed the low-cost estimate, the contribution rates would probably be adjusted downward or perhaps would not be increased according to schedule in the future. If the experience followed the high-cost estimate, the contribution rates would have to be raised above those scheduled. The high-cost estimate does indicate that under the tax schedule adopted there would be ample funds to meet old-age and survivors insurance benefit disbursements for several decades, even under relatively high-cost experience.

Results of Intermediate-Cost Estimates

The intermediate-cost estimates are developed from the low-cost and high-cost estimates by averaging them (using the dollar estimates and developing from them the corresponding estimates related to payroll). The intermediate-cost estimate is not necessarily the closest to what actual costs will be—a figure impossible to develop. It is set down as a convenient and readily available single set of figures to use for comparative purposes.

Congress, in enacting the 1950, 1952, 1954, and 1956 acts, has indicated its belief that the old-age and survivors insurance program should be on a completely self-supporting basis or, in other words, actuarially sound. A single estimate is necessary in developing a tax schedule intended to make the system self-supporting. Any one schedule will necessarily be somewhat different from what will actually be required to obtain an exact balance between contributions and benefits. This procedure, however, does make the intention specific, even though in actual practice future changes in the tax schedule may be necessary. Likewise, exact self-support of the program cannot be attained through a specific set of integral or rounded fractional tax rates, increasing in orderly intervals, but the principle of self-support is aimed at as closely as possible.

The schedules for the contribution rates contained in the 1954 act and

in the 1956 amendments are shown below.

Year	Employee rate ¹		Rate for the self-employed	
	1954 act	1956 act	1954 act	1956 act
1957-59.....	2	2½	3	3¾
1960-64.....	2½	2¾	3½	4½
1965-69.....	3	3¾	4½	5½
1970-74.....	3½	3¾	5½	6½
1975 and after.....	4	4½	6	6½

¹ Employer and employee pay the same rate.

Table 3 gives an estimate of the level-premium cost of the 1954 amendments and shows the increase in cost resulting from each of the major changes enacted in 1956. These level-premium costs are based on benefit payments from 1956 on.

The level-premium contribution rates equivalent to the graded schedules in the 1954 and 1956 acts may be computed in the same manner as level-premium benefit costs. These estimates are shown below for income and disbursements after 1955, computed on the basis of the intermediate-cost estimate, at 2.4-percent interest for the 1954 act and 2.6-percent interest for the 1956 act. (The higher

rate for the 1956 act results from the revision of the interest basis for trust fund investments.)

Level-premium equivalent	1954 act		1956 act	
	Original estimate	Revised estimate	Old-age and survivor benefits	Disability benefits
Benefit costs ¹	7.77	7.45	7.43	0.42
Contributions.....	7.29	7.29	7.23	.49
Net difference ²48	.16	.20	-.07

¹ Includes adjustments to reflect (a) lower contribution rate for the self-employed, compared with the employer-employee rate, (b) administrative expenses, and (c) for old-age and survivors insurance benefits, the existing trust fund.

² A positive figure indicates the extent of lack of actuarial balance. A negative figure indicates more than sufficient financing (according to the estimate).

Under the revised contribution schedule in the 1956 amendments the combined employer-employee rate is increased by one-half of 1 percent beginning in 1957. In the old-age and survivors insurance part of the program, the lack of actuarial balance is 0.20 percent of payroll—somewhat greater than that under the latest estimate for the 1954 act, although well below the estimate

Table 5.—Estimated benefit payments as percent of taxable payroll ¹ under 1956 amendments, by type of benefit, based on intermediate-cost estimate and high-employment assumptions

Year	Monthly benefits						Lump-sum death payments	Disability freeze	Disability monthly benefits	Total benefits
	Old-age	Wife's or husband's	Widow's or widower's	Parent's	Mother's	Child's				
Actual data ¹										
1951.....	0.97	0.15	0.13	0.01	0.07	0.23	0.05	-----	-----	1.61
1952.....	1.06	.16	.15	.01	.07	.25	.05	-----	-----	1.76
1953.....	1.43	.21	.19	.01	.09	.29	.07	-----	-----	2.28
1954.....	1.75	.25	.23	.01	.10	.34	.07	-----	-----	2.74
1955.....	2.07	.30	.25	.01	.10	.36	.07	(7)	-----	3.16
Under 1956 act										
1960.....	2.64	0.38	0.64	0.01	0.16	0.40	0.09	0.04	0.31	4.67
1970.....	3.68	.40	1.13	.01	.18	.43	.11	.06	.41	6.42
1980.....	4.75	.44	1.43	.01	.17	.41	.12	.07	.43	7.53
1990.....	5.64	.44	1.84	.01	.16	.39	.13	.08	.39	8.80
2000.....	5.70	.43	1.43	.02	.15	.37	.14	.08	.43	8.73
2020.....	6.96	.51	1.50	.01	.15	.37	.15	.10	.42	10.18
Level-premium rate ⁴	5.06	.45	1.29	.01	.16	.39	.13	.07	.40	7.96

¹ Takes into account lower contribution rate for the self-employed, compared with the employer-employee rate.

² Excludes effect of railroad coverage under financial interchange provisions.

³ Less than 0.005 percent.

⁴ At 2.6-percent interest. For benefit payments after 1955 and in perpetuity, not taking into account (a) the existing trust fund and (b) administrative expenses. Assumes that benefits and payrolls remain level after the year 2050.

made when the 1954 law was enacted. At the same time, the disability insurance trust fund shows a slight actuarial surplus according to this intermediate-cost estimate. This situation occurs because the tax rate of one-half of 1 percent (which has a level-premium equivalent based on the period after 1955 of slightly less than 0.50 percent, since it is not effective until 1957) is higher than the level-premium equivalent of the benefit disbursements and administrative expenses combined. When old-age, survivor, and disability benefits are considered together, the program shows a lack of actuarial balance of only 0.13 percent of payroll, or slightly less than that under the 1954 act.

Table 4 shows the year-by-year cost of the benefit payments according to the intermediate-cost estimate for the laws of 1954 and 1956. These figures are based on a future level-earnings assumption and do not reflect business cycles, which over a long period of years tend to cancel one another. The benefit disbursements for 1957 are estimated at about \$6.9 billion for the intermediate-cost estimate, in contrast to contribution income amounting to approximately \$8.0 billion.

The cost of the benefits under the 1956 amendments is shown in table 5 as a percentage of payroll for each of the various types of benefits.

Table 6 gives the estimated operation of the old-age and survivors insurance trust fund under the 1956 amendments (based on a 2.6-percent interest rate), as well as the estimated operation of the disability insurance trust fund. The old-age and survivors insurance trust fund has contribution income exceeding benefit disbursements during most of the next 30 years; in the few years immediately before the scheduled contribution increases this is not the case, but the interest received in those years covers the difference. As

a result, this fund is estimated to grow steadily until it reaches a maximum of about \$120 billion in about 60 years, and then to decrease. This slight decline in the distant future indicates that, although the present tax schedule is not fully self-supporting, for all practical purposes, it is so close to self-support that the program may be said to be actuarially sound. This general situation was also true

Table 6.—Estimated progress of trust funds under 1956 amendments, based on intermediate-cost estimate and high-employment assumptions

[In millions]					
Year	Contributions	Benefit payments	Administrative expenses	Interest ¹	Balance in fund
Old-age and survivors insurance trust fund					
1956.....	\$6,747	\$6,068	\$132	\$533	\$22,906
1957.....	7,259	6,829	149	599	23,786
1958.....	7,336	7,269	154	617	24,316
1959.....	7,450	7,700	156	627	24,537
1960.....	9,016	8,113	159	648	25,929
1965.....	11,503	10,465	170	780	31,216
1970.....	14,315	12,642	182	977	39,317
1975.....	17,317	14,787	200	1,297	52,346
1980.....	18,376	17,002	217	1,739	69,184
2000.....	21,409	22,228	270	2,492	97,802
2010.....	22,741	23,648	287	2,954	115,962
2020.....	23,734	28,940	330	2,868	110,410
Disability insurance trust fund					
1957.....	\$721	\$116	\$21	\$8	\$592
1958.....	898	379	29	22	1,104
1959.....	905	482	33	34	1,528
1960.....	913	586	38	43	1,860
1965.....	966	735	29	83	3,380
1970.....	1,030	854	34	118	4,729
1975.....	1,086	949	39	151	5,995

¹ At 2.6-percent rate.

for the 1950, 1952, and 1954 acts, according to estimates made when they were being considered.

The disability insurance trust fund, in contrast, grows steadily, with the excess of contribution income over outgo for benefits and administrative expenses gradually narrowing, until by 1975 the difference is only about 10 percent. The fund builds up slowly but steadily and reaches \$6 billion at

the end of 1975. This situation is to be expected since the estimated level-premium cost of the disability benefits, according to the intermediate-cost estimate, is about 0.4 percent of payroll, and the level-premium income is about 0.5 percent.

Summary of Actuarial Cost Estimates

The old-age and survivors insurance program, as amended by the 1956 legislation, has a benefit cost (assuming the 1955 earnings levels continue) that is closely in balance with contribution income. This also was the case at the time the 1950, 1952, and 1954 amendments were enacted. In fact, the program is even more nearly in actuarial balance, according to the intermediate-cost estimates, than it was when the previous laws were being considered by Congress. Although in every instance the program is shown to be not fully self-supporting under the intermediate-cost estimate, it is close to an exact balance, especially since a range of error is necessarily present in long-range actuarial cost estimates and rounded tax rates are used in actual practice. Accordingly, the program as amended by the 1956 amendments is actuarially sound. In fact, its actuarial status is improved by the amendments, since the cost of the liberalized benefits is more than met by the increased contributions scheduled, which become effective almost immediately on the inauguration of the new benefit provisions.

The separate disability insurance trust fund established by the 1956 amendments shows a small favorable actuarial balance because the contribution rate allocated to this fund is slightly in excess of the cost for the disability benefits, based on the intermediate-cost estimate. Considering the variability of cost estimates for disability benefits, this small actuarial excess is certainly no more than a moderate safety factor.

Notes and Brief Reports

Effect of 1954 OASI Eligibility Provision on Public Assistance*

Amendments to the Social Security Act that became effective in September 1954 included provisions increasing benefit payments to beneficiaries currently on the old-age and survivors insurance rolls and making eligible for the first time a specified group of survivors.¹ These survivors were the surviving parent, widow, or child of a worker who died after 1939 and before September 1, 1950, and who, though not fully insured under the act at the time of death, had at least 6 quarters of coverage. The purpose of this eligibility provision was to give the same advantage to this group of survivors as the new-start provision of the 1950 amendments had given to survivors of covered workers who died after September 1950. One out of every 1,000 old-age assistance recipients and 3 out of every 1,000 families receiving aid to dependent children in September 1954 were subsequently reported receiving benefits as a result of the new old-age and survivors insurance eligibility provision enacted in 1954. For these cases, the new benefits usually resulted in a reduction in the amount of assistance received and, in some instances, were sufficient to eliminate the need for assistance entirely.

The effect of these new survivor benefits on the public assistance rolls was reflected more gradually than the effect of the increase in benefits to current beneficiaries. Welfare agencies could act fairly promptly when benefits were increased because they knew which recipients were also getting insurance benefits. Many of the recipients newly eligible for survivor benefits qualified, however, on the basis of the wage record of an individual who had died at least 4 years

before the effective date of the amendment. Because of this retroactive feature, the assistance agencies had to review case records and to discuss with recipients the amended eligibility provisions in order to identify cases whose eligibility for benefits might otherwise have escaped notice. In many States these steps were usually combined with the normal process of review of eligibility for assistance. Assistance payments could not, of course, be adjusted until claims for benefits were filed and adjudicated, even though the recipient had been identified as possibly eligible for a benefit.

All States submitted quarterly reports beginning with the period October-December 1954 and continuing through July-September 1955. The reports showed (1) the number of assistance recipients on the rolls in September 1954 who became newly eligible for old-age and survivors insurance benefits, (2) the type of initial action taken by the assistance agencies when a benefit was received, (3) the monthly amount of the benefits, and (4) the amount of assistance payments to these cases for the month preceding and for the month in which the revised budget, which took into consideration the insurance benefit, became effective.² These reports were continued for a full year to ensure that all cases on the rolls in September 1954 would have been reviewed for continuing eligibility under regular agency policy. The following paragraphs summarize and analyze all the State reports received for this annual period. Because the number of recipients affected by the new eligibility provision is small, no attempt is made to analyze data for the individual States.

While agency action on all assistance payments affected by increases in benefits to current beneficiary-recipients had been virtually completed by the end of 1954, only about

Table 1.—Effect of the newly awarded OASI benefits on payments of persons receiving OAA and families receiving ADC in September 1954¹

Item	OAA recipients	Families receiving ADC
Total number on rolls.....	2,578,207	588,088
Newly eligible for OASI:		
Number.....	3,214	1,772
Percent of total.....	0.12	0.30
Monthly OASI benefits awarded.....	\$109,977	\$117,590
Monthly decrease in assistance payments.....	\$90,444	\$92,371
Average OASI benefit per case affected.....	\$34.22	\$66.36
Average decrease in assistance payment per case affected.....	\$28.14	\$52.13

¹ Based on initial actions taken October 1954-September 1955.

one-third of the cases involving recipients newly eligible for benefits had been considered by that time. As a result, the reported effects of the newly awarded benefits on assistance payments were influenced to a greater extent by other developments than were the effects of the benefit increases. During the year in which these adjustments in assistance payments were made, some agencies increased amounts provided under their assistance standards by recognizing new items of individual need or raising the amounts provided to meet requirements for basic items. This type of change tended to reduce the savings in assistance funds attributable to the new benefits.

Other factors tended to increase the amount reported as savings in assistance funds. Many recipients, unaware of their newly acquired eligibility, did not apply promptly for benefits. When they did apply and became entitled, many of them received an amount that included benefits for earlier months. These retroactive benefit payments were considered in different ways by the different State public assistance agencies. Some of them deducted the amount of the benefit from the assistance payment either by temporarily discontinuing assistance entirely or by prorating a deduction over several months. Other States considered the retroactive payment as an allowable addition to the recipient's cash reserve or as a permissible allocation to the needs of his dependents.

Assistance payments that were not

* Prepared by Sue Ossman, Division of Program Statistics and Analysis, Bureau of Public Assistance.

¹ The effect of increased benefits was discussed in the *Bulletin* for July 1955, pages 11-13.

² Because only a few recipients of aid to the blind and aid to the permanently and totally disabled were potentially affected by the 1954 amendments, the States were not asked to report on these programs.

reduced or were reduced by only part of the amount of the new benefit largely reflected instances in which the recipient previously had unmet need that absorbed all or part of the new benefit. This situation occurred most often in the States that place a maximum on individual assistance payments.

Effects on old-age assistance.—Of the more than 2.5 million recipients on the old-age assistance rolls in September 1954, 3,214 were found newly eligible for insurance benefits in the following year—October 1954–September 1955 (table 1). Benefit payments to these aged persons amounted to slightly less than \$110,000 a month, or \$34.22 per person affected. Reported reductions in payments of old-age assistance amounted to \$90,400, or about 18 percent less than the newly awarded insurance benefits.

Assistance was discontinued for 776 recipients—almost a fourth of those who were receiving insurance benefits for the first time (table 2). For 14.3 percent, payments were temporarily suspended. Many of the suspensions probably resulted from retroactive initial benefit payments that were large enough to permit the beneficiaries to manage without assistance for at least a month. It is probable that assistance payments for many of this group were subsequently reinstated in reduced amounts.

Of all the recipients found newly eligible for survivor benefits, 1,849 or 57.5 percent remained on the rolls but had their payments reduced. In the few remaining cases (4.1 percent of the total) the receipt of an insurance benefit did not reduce the amount of the assistance payment. Many of these recipients had needs in excess of the maximum amount of assistance paid by the State, and their benefits were not large enough to bring their budgetary deficits below the maximum assistance payment. Others in the group had changes in their requirements or resources that occurred at the same time that they began to receive an insurance benefit.

Effects on aid to dependent children.—Of the 588,000 families who received aid to dependent children in September 1954, only 0.3 percent, or 1,772 families, subsequently received

Table 2.—Persons receiving OAA and families receiving ADC in September 1954 who were newly eligible for OASI benefits, by type of action taken on assistance payments¹

Type of action taken	OAA recipients		Families receiving ADC	
	Number	Per cent	Number	Per cent
Total.....	3,214	100.0	1,772	100.0
Cases closed.....	776	24.1	580	32.7
Payments suspended.....	458	14.3	168	9.5
Payments reduced.....	1,849	57.5	927	52.3
Payments not reduced.....	131	4.1	97	5.5

¹ Based on initial actions taken October 1954–September 1955.

survivor benefits under the new eligibility provision in the 1954 amendments. By September 1955 their benefits amounted to \$117,590 a month—an average of \$66.36 per family. Reductions in assistance payments reported over the same period amounted to \$92,371, or about one-fifth less than the total monthly amount of the insurance benefits.

The proportion of cases closed (32.7 percent) was larger than for old-age assistance. Assistance payments were suspended for almost one-tenth of the families newly in receipt of benefits, and, as in old-age assistance, the majority (52.3 percent) had their payments reduced. In the remaining cases (1 out of every 18), assistance payments were unaffected.

Recent Publications*

Social Security Administration

BUREAU OF PUBLIC ASSISTANCE. DIVISION OF TECHNICAL TRAINING. *Characteristics of Staff Development Provisions in State Public Assistance Plans*. Washington: The Bureau, 1956. Processed.

Selected provisions of staff development plans, grouped under the position to which responsibility for staff development planning is as-

* Prepared in the Library, Department of Health, Education, and Welfare. Orders for items listed should be directed to publishers and booksellers; Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

signed, and educational leave provisions. Limited free distribution; apply to the Bureau of Public Assistance, Social Security Administration, Washington 25, D. C.

CHILDREN'S BUREAU. *Studies in Juvenile Delinquency: A Selected Bibliography, 1939-1954*. Washington: The Bureau, 1956. 37 pp. Processed. Limited free distribution; apply to the Children's Bureau, Social Security Administration, Washington 25, D. C.

General

BIGGS, ROBERT M. *National-Income Analysis and Forecasting*. New York: W. W. Norton & Co., Inc., 1956. 610 pp. \$7.95.

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HOLBORN, LOUISE W. *The International Refugee Organization, A Specialized Agency of the United Nations, Its History and Work*. London and New York: Oxford University Press, 1956. 805 pp. \$6.75.

"Recent Social Security Developments in the Netherlands." *Industry and Labour*, Geneva, Vol. 15, May 1, 1956, pp. 387-388. 25 cents.

U. S. CONGRESS. JOINT COMMITTEE ON THE ECONOMIC REPORT. SUBCOMMITTEE ON TAX POLICY. *The Federal Revenue System: Facts and Problems*. (Joint Committee Print, 84th Cong., 1st sess.) Washington: U. S. Govt. Print. Off., 1956. 201 pp. Includes a section on Federal-State-local government fiscal relations—historical development, issues, and proposals.

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YLVISAKER, PAUL N. *Intergovernmental Relations at the Grass Roots: A Study of Blue Earth County, Minnesota, to 1946*. (Intergovernmental Relations in the United States, Research Monograph No. 7.) Minneapolis: University of Minnesota Press, 1956. 186 pp. \$3.

Social Security

Retirement and Old Age

BROCKETT, ELEANOR. *How to Retire and Start Living*. London: Staples Press Limited, 1955. 164 pp. \$2.75. Suggestions for adjustment to retirement, based on actual experiences.

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COLLINS, THOMAS. *The Golden Years, An Invitation to Retirement*. New York: John Day Co., 1956. 251 pp. \$3.75.

How to prepare for and enjoy retirement.

"Invalidity and Survivors' Insurance Scheme for Doctors in France." *Industry and Labour*, Geneva, Vol. 15, May 1, 1956, pp. 386-387. 25 cents.

MYERS, ROBERT J. "Financial Impact of Pension Costs on the Railroad Industry." *Labor Law Journal*, Chicago, Vol. 7, May 1956, pp. 265-275. \$1.

THE PRESIDENT'S COMMISSION ON VETERANS' PENSIONS. *The Historical Development of Veterans' Benefits in the United States*. (Staff Report No. I.) (House Committee Print No. 244, 84th Cong., 2d sess.) Washington: U. S. Govt. Print. Off., 1956. 165 pp.

THE PRESIDENT'S COMMISSION ON VETERANS' PENSIONS. *State Veterans' Laws: Digests of State Laws and Related Statistical Data Regarding Rights, Benefits, and Privileges of Veterans, Their Dependents, and Their Organizations, Revised to January 1, 1956*. (Staff Report No. III.) (House Committee Print No. 246, 84th Cong., 2d sess.) Washington: U. S. Govt. Print. Off., 1956. 369 pp.

Public Welfare

NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE U.S.A. *Churches and Social Welfare: Vol. I, The Activating Concern; Historical and Theological Bases*, E. Theodore Bachmann, editor; *Vol. II, The Changing Scene: Current Trends and Issues*, Horace R. Cayton and Setsuko Matsunaga Nishi, editors. New York: The Council, 1955. \$3.75 each.

SHAFFER, HELEN B. "Pockets of Poverty." *Editorial Research Reports*, Washington, Vol. 1, June 6, 1956, entire issue. \$1.

Low-income families in the United States and ways of helping them.

STUDT, ELLIOT. "The Contribution of Correctional Practice to Social Work Theory and Education." *Social Casework*, New York, Vol. 37, June 1956, pp. 263-269. 50 cents.

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WELFARE AND HEALTH COUNCIL OF NEW YORK CITY. RESEARCH DEPARTMENT. *Fee Charging for Family Casework and Homemaker Services in New York City*. New York: The Council, Dec. 1955. 34 pp. Processed. 50 cents.

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WIRTH, LOUIS. *Community Life and Social Policy*. Chicago: University of Chicago Press, 1956. 431 pp. \$6.

Includes papers on the community and society, social problems, and planning.

Child Welfare

DAVIES, JOANN F. "How to Interpret a Foster Home Program in a Small Community." *Child Welfare*, New York, Vol. 35, June 1956, pp. 13-18. 35 cents.

GRUNHUT, MAX. *Juvenile Offenders Before the Courts*. Oxford: Clarendon Press, 1956. 143 pp. \$3.40. A survey of juvenile delinquency and the treatment practice of the courts in England and Wales.

HARTRICH, PAULETTE K. *You and Your Child's Health*. New York: Harper & Brothers, 1956. 208 pp. \$3.

MURPHY, LOIS BARCLAY and ASSOCIATES. *Personality in Young Children: Vol. I, Methods for the Study of Personality in Young Children; Vol. II, Colin, A Normal Child*. New York: Basic Books, Inc., 1956. Vol. 1, \$6. Vol. 2, \$4.

TENNESSEE. DEPARTMENT OF PUBLIC WELFARE. DIVISION OF CHILD WELFARE. *Minimum Requirements and Desirable Standards for Day Care Centers for Children*. Nashville: The Department, 1955. 28 pp.

TENNESSEE. DEPARTMENT OF PUBLIC WELFARE. DIVISION OF CHILD WELFARE. *Minimum Requirements and Desirable Standards for Family Day Care Homes*. Nashville: The Department, 1955. 24 pp.

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In three parts: (1) Interviews as a Source of Scores for Children and Their Homes; (2) The Predictive Validity of the Yale Developmental Examination of Infant Behavior; and (3) Relationships Between Some Aspects of Development and Some Aspects of Environment for Adoptive Children.

Health and Medical Care

AMERICAN FOUNDATION FOR THE BLIND. *Films Relating to Blindness and Work with Blind Persons*. New York: The Foundation, 1956. 20 pp. 35 cents.

COMMITTEE ON STATISTICAL PROGRAM FOR THE CITY OF NEW YORK. *A Statistical Program for the Department of Health of the City of New York*. New York: Russell Sage Foundation, 1956. 71 pp. \$1. The Committee's report and recommendations.

DAHLM, MARGARET M. "Temporary Disability Insurance—Experience Under Existing Laws." *Monthly Labor Review*, Washington, Vol. 79, June 1956, pp. 680-683. 55 cents.

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HOWARD, RUTH B. "An Approach to Improving Health Services for Migrant Agricultural Workers." *American Journal of Public Health and the Nation's Health*, New York, Vol. 46, May 1956, pp. 606-611. \$1.

SLAVSON, S. R., editor. *The Fields of Group Psychotherapy*. New York: International Universities Press, Inc., 1956. 338 pp. \$6.

Includes a discussion of group psy-

(Continued on page 25)

Current Operating Statistics

Table 1.—Selected social insurance and related programs, by specified period, 1940–56

[In thousands; data corrected to Aug. 10, 1956]

Year and month	Total	Retirement, disability, and survivor programs										Unemployment insurance programs				
		Monthly retirement and disability benefits ¹				Survivor benefits						Temporary disability benefits under Railroad Unemployment Insurance Act ⁹	State laws ¹⁰	Veterans' legis-lation ¹¹	Rail-road Unem-ploy-ment Insurance Act ⁹	
		Social Security Act	Rail-road Retirement Act	Civil Service Com-mis-sion ²	Veterans Ad-minis-tration ³	Monthly				Lump-sum ⁷						
						Social Secu-rity Act ⁴	Rail-road Retirement Act ⁵	Civil Service Com-mis-sion ²	Veterans Ad-minis-tration ⁶	Social Security Act	Other ⁸					
Number of beneficiaries																
1955																
June.....		5,462.3	416.3	224.9	2,668.8	2,101.2	196.5	70.7	1,154.2	56.5	12.4	25.5	1,056.2	63.8		31.6
July.....		5,527.8	417.6	225.8	2,675.6	2,115.4	197.2	70.8	(12)	44.0	11.7	22.3	923.8	67.6		23.3
August.....		5,591.3	418.4	227.8	2,682.7	2,133.2	197.9	71.5	(12)	50.8	12.1	37.5	838.7	69.9		31.2
September.....		5,646.3	419.7	229.8	2,688.6	2,150.0	198.8	71.9	1,155.8	48.0	12.0	36.8	763.2	61.8		29.6
October.....		5,703.9	422.0	231.3	2,695.2	2,151.6	202.1	73.1	(12)	48.3	12.2	33.8	672.4	42.2		27.3
November.....		5,747.6	424.5	231.8	2,700.8	2,154.3	204.6	73.5	(12)	46.1	12.4	37.5	685.3	39.6		33.6
December.....		5,788.1	426.7	233.9	2,706.6	2,172.5	206.4	74.3	1,155.6	46.7	12.2	35.7	860.8	50.9		48.0
1956																
January.....		5,817.6	426.8	237.2	2,711.8	2,186.3	207.1	75.3	(12)	46.6	11.9	38.4	1,200.0	66.0		58.1
February.....		5,872.2	428.9	239.3	2,704.4	2,197.6	208.0	76.0	(12)	41.8	12.2	29.3	1,309.2	73.5		59.7
March.....		5,939.0	431.8	240.5	2,715.9	2,210.7	208.4	77.0	1,165.5	46.8	12.3	27.0	1,312.6	72.2		56.8
April.....		6,007.9	434.2	241.4	2,724.9	2,227.7	208.5	77.7	(12)	52.2	12.3	25.3	1,219.5	59.2		44.1
May.....		6,070.7	436.9	243.1	2,732.8	2,244.6	209.6	78.4	(12)	53.7	12.7	24.9	1,064.4	44.4		30.9
June.....		6,115.1	437.2	244.6	2,738.5	2,259.3	211.0	80.7	1,175.8	49.3	12.2	22.4	1,072.1	45.6		23.0
Amount of benefits ¹²																
1940.....	\$1,183,462	\$17,150	\$114,166	\$62,019	\$317,851	\$6,371	\$1,448		\$105,696	\$11,833	\$12,267		\$518,700			\$15,961
1941.....	1,079,648	51,169	119,912	64,933	320,561	23,644	1,559		111,799	13,270	13,943		344,321			14,537
1942.....	1,124,351	76,147	122,806	68,115	325,265	39,523	1,603		111,193	15,005	14,342		344,084			6,268
1943.....	911,696	92,943	125,795	72,961	331,350	55,152	1,704		116,133	17,843	17,255		79,643			917
1944.....	1,104,638	113,487	129,707	77,193	456,279	73,451	1,765		144,302	22,034	19,238		62,385		\$4,215	582
1945.....	2,047,025	148,107	137,140	83,874	697,830	99,651	1,772		254,238	26,127	23,431		445,866	126,630	2,359	
1946.....	5,135,413	222,320	149,188	94,585	1,268,984	127,933	1,817		333,640	27,851	30,610		1,094,850	1,743,718	39,917	
1947.....	4,658,540	287,554	177,053	106,876	1,676,029	149,179	19,283		382,515	29,460	33,115	\$11,368	776,165	970,542	39,401	
1948.....	4,454,705	352,022	208,642	132,852	1,711,182	171,837	36,011	\$918	413,912	32,315	32,140	30,843	793,265	510,167	28,599	
1949.....	5,613,168	437,420	240,893	158,973	1,692,215	196,586	39,257	4,317	477,406	33,158	31,771	30,103	1,737,279	430,194	103,596	
1950.....	5,196,761	651,409	254,240	175,787	1,732,208	276,945	43,884	8,409	491,579	32,740	33,578	28,099	1,373,426	34,653	59,804	
1951.....	5,503,855	1,321,061	268,733	196,529	1,647,938	506,803	49,527	14,014	519,398	37,337	33,356	26,297	840,411	2,234	20,217	
1952.....	6,285,237	1,539,327	361,200	225,120	1,722,225	591,504	74,085	19,986	572,983	43,298	37,251	34,689	998,237	3,539	41,793	
1953.....	7,353,396	2,175,311	374,112	269,300	1,840,437	743,536	83,319	27,325	613,475	47,451	43,377	45,150	962,221	41,698	46,684	
1954.....	9,455,374	2,697,982	428,900	298,126	1,921,380	879,952	93,201	32,530	628,801	52,229	41,480	49,173	2,026,866	107,666	157,088	
1955.....	10,275,552	3,747,742	438,970	335,876	2,057,515	1,107,541	121,847	39,362	688,426	112,871	42,233	51,945	1,350,268	87,672	93,284	
1956																
June.....	823,681	296,522	35,167	27,043	171,267	87,503	9,497	3,153	56,488	11,244	3,464	3,397	108,861	6,607		3,468
July.....	810,548	300,999	35,293	27,162	172,100	88,413	9,551	3,185	57,993	9,024	3,252	2,818	91,602	6,764		2,392
August.....	823,944	305,302	35,359	27,582	172,342	89,431	9,607	3,253	58,075	10,176	3,385	5,185	92,834	7,682		3,731
September.....	817,082	308,860	36,521	27,767	171,495	90,344	9,827	3,283	57,789	9,612	3,356	5,064	83,169	6,528		3,466
October.....	811,776	312,861	36,729	27,832	173,660	91,099	10,000	3,703	57,310	9,719	3,398	4,803	70,091	4,243		3,328
November.....	820,709	316,057	36,953	31,135	173,019	91,805	10,146	3,759	57,099	9,304	3,525	5,184	74,674	4,132		3,917
December.....	849,375	318,812	37,151	31,458	173,814	92,801	10,251	3,785	57,361	9,387	3,402	4,979	95,153	5,230		5,791
1956																
January.....	897,436	321,075	37,191	32,594	173,648	93,595	10,306	3,858	57,762	9,375	3,548	4,871	135,725	6,726		7,162
February.....	907,673	325,167	37,423	32,593	172,628	94,263	10,367	3,928	57,510	8,439	3,540		143,923	7,051		7,112
March.....	924,543	329,941	37,737	32,546	173,801	95,035	10,407	3,960	57,802	9,411	3,698		151,998	7,274		7,242
April.....	912,679	334,668	37,980	32,685	175,973	96,007	10,437	4,029	58,560	10,484	3,758		133,926	5,723		5,141
May.....	909,100	338,759	38,232	32,836	176,656	96,984	10,518	4,094	58,870	10,609	4,054		125,786	4,694		3,604
June.....	897,302	341,570	38,287	33,108	174,292	97,854	10,608	4,123	58,082	9,798	3,515		116,040	4,452		2,571

¹ Under the Social Security Act, retirement benefits—old-age, wife's, and husband's benefits, and benefits to children of old-age beneficiaries—partly estimated. Under the other 3 systems, benefits for age and disability; beginning December 1951, spouse's annuities under the Railroad Retirement Act.

² Data for civil-service retirement and disability fund; excludes noncontributory payments made under the Panama Canal Construction Annuity Act. Through June 1948, retirement and disability benefits include payments to survivors under joint and survivor elections.

³ Pensions and compensation, and subsistence payments to disabled veterans undergoing training; beginning July 1955, payments on estimated basis and adjusted quarterly.

⁴ Mother's, widow's, widower's, parent's, and child's benefits; partly estimated.

⁵ Annuities to widows under joint and survivor elections and, beginning February 1947, survivor benefits—widow's, widower's (first paid December 1951), widow's current, parent's, and child's benefits.

⁶ Payments to widows, parents, and children of deceased veterans; beginning 1955, data for beneficiaries shown as of end of quarter; beginning July 1955, payments on estimated basis and adjusted quarterly.

⁷ Number of decedents on whose account lump-sum payments were made.

⁸ Payments under the Railroad Retirement Act and Federal civil-service and veterans' programs; beginning July 1955, data for veterans' programs on estimated basis.

⁹ Represents average number of beneficiaries in a 14-day registration period; temporary disability benefits first payable July 1947.

¹⁰ Represents average weekly number of beneficiaries; beginning January 1955 includes data for payments to unemployed Federal workers made by the States as agents of the Federal Government.

¹¹ Beginning September 1944, under the Servicemen's Readjustment Act, readjustment allowances to unemployed and self-employed veterans of World War II. Beginning November 1952, under the Veterans' Readjustment Assistance Act, unemployment compensation benefits to veterans with military service since June 1950. Number represents average weekly claims paid.

¹² Not available.

¹³ Payments under the Social Security Act annual data represent Treasury disbursements and under the Railroad Retirement Act, amounts certified (for both programs monthly data for monthly benefits represent benefits in current-payment status); under the Railroad Unemployment Insurance Act, amounts certified; for Veterans Administration programs, except the readjustment allowance program, disbursements; under the State unemployment insurance laws, the Servicemen's Readjustment Act, and the Veterans' Readjustment Assistance Act, checks issued; for civil-service programs, disbursements through June 1949 and authorizations beginning July 1949. Adjusted on annual basis except for civil-service data and payments under the Railroad Unemployment Insurance Act, which are adjusted monthly.

Source: Based on reports of administrative agencies.

Table 2.—Contributions and taxes collected under selected social insurance and related programs, by specified period, 1941-56

[In thousands]

Period	Retirement, disability, and survivor insurance			Unemployment insurance		
	Federal insurance contributions ¹	Federal civil-service contributions ²	Taxes on carriers and their employees	State unemployment insurance contributions ³	Federal unemployment taxes ⁴	Railroad unemployment insurance contributions ⁵
Fiscal year:						
1941-42.....	\$895,619	\$190,498	\$170,012	\$1,093,900	\$119,944	\$84,738
1942-43.....	1,130,495	334,278	208,795	1,217,737	158,361	102,710
1943-44.....	1,292,122	445,951	267,065	1,353,272	179,969	121,518
1944-45.....	1,309,919	486,719	285,038	1,251,958	184,544	131,993
1945-46.....	1,238,218	528,049	282,610	1,009,091	179,930	129,126
1946-47.....	1,459,492	481,448	380,057	1,001,504	184,823	141,750
1947-48.....	1,616,162	482,585	557,061	1,007,087	207,919	145,148
1948-49.....	1,690,296	553,461	563,833	988,965	222,850	9,816
1949-50.....	2,106,388	662,262	550,172	1,094,406	226,306	18,855
1950-51.....	3,120,404	684,343	577,509	1,364,590	233,537	24,681
1951-52.....	3,594,248	722,850	734,990	1,431,997	258,945	25,734
1952-53.....	4,096,602	744,646	619,959	1,367,806	276,557	25,066
1953-54.....	4,589,182	464,363	603,042	1,246,230	285,135	27,656
1954-55 ⁶	5,087,154	469,856	600,106	1,142,009	279,986	23,720
1955-56 ⁷	6,442,326	808,079	634,320	1,328,722	324,654	34,043
1955						
June ⁸	703,719	45,755	51,673	6,886	2,701	4,522
July.....	217,239	⁹ 275,775	15,484	116,423	2,433	120
August.....	923,619	55,204	84,970	242,213	15,714	3,554
September.....	519,117	42,754	59,775	7,065	770	2,399
October.....	221,517	47,817	18,031	87,766	3,855	204
November.....	704,700	48,721	84,769	184,576	14,014	2,038
December.....	340,055	47,326	54,691	12,346	1,156	4,142
1956						
January.....	186,056	52,318	17,300	71,035	31,850	102
February.....	661,916	31,404	85,058	130,219	241,146	1,872
March.....	520,119	59,257	53,870	9,312	5,880	4,126
April.....	598,353	49,098	15,267	138,956	4,045	596
May.....	997,587	53,424	91,356	316,671	2,499	12,193
June ⁷	552,047	44,982	53,748	12,140	1,291	2,698

¹ Represents contributions of employees and employers in employments covered by old-age and survivors insurance (beginning December 1952, adjusted for employee-tax refunds); from May 1951, includes deposits in the trust fund by States under voluntary coverage agreements; beginning January 1951, on an estimated basis.

² Represents employee and Government contributions to the civil-service retirement and disability fund; Government contributions are made in 1 month for the entire fiscal year.

³ Represents deposits in State clearing accounts of contributions plus penalties and interest collected from employers and, in 3 jurisdictions, contributions from

employees; excludes contributions collected for deposit in State sickness insurance funds. Data reported by State agencies.

⁴ Represents taxes paid by employers under the Federal Unemployment Tax Act.

⁵ Beginning 1947, also covers temporary disability insurance.

⁶ Except for State unemployment insurance contributions, as shown in the *Final Statement of Receipts and Expenditures of the U. S. Government*.

⁷ Preliminary.

⁸ Includes contributions from the Federal Government.

Source: *Monthly Statement of the U. S. Treasury*, and other Treasury reports, unless otherwise noted.

RECENT PUBLICATIONS

(Continued from page 23)

chotherapy in geriatrics, juvenile delinquency, mental illness, child guidance, family services, and community mental health.

TAYLOR, MALCOLM G. *The Adminis-*

tration of Health Insurance in Canada. Toronto: Oxford University Press, 1956. 270 pp. \$5.50.

Reviews and evaluates Canada's experience with health insurance.

WELFARE AND HEALTH COUNCIL OF NEW YORK CITY. RESEARCH DEPARTMENT.

Fee Charging in Voluntary Psychiatric Outpatient Clinics in New York City. New York: The Council, 1956. 38 pp. Processed. 50 cents.

Surveys current policy and practice.

Table 3.—Estimated payrolls in employment covered by selected programs in relation to civilian wages and salaries, by specified period, 1940-55¹

[Amounts in millions; corrected to Aug. 3, 1956]

Period	Wage and salary disbursements ²		Payrolls ³ covered by—					
	Total	Civilian	Old-age and survivors insurance ⁴		State unemployment insurance		Railroad retirement and unemployment insurance ⁵	
			Amount	Percent of civilian wages and salaries	Amount	Percent of civilian wages and salaries	Amount	Percent of civilian wages and salaries
Calendar year:								
1940.....	\$49,818	\$49,255	\$35,560	72.2	\$32,352	65.7	\$2,280	4.6
1941.....	62,086	60,220	45,286	75.2	41,985	69.7	2,697	4.5
1942.....	82,109	75,941	57,950	76.3	54,548	71.8	3,394	4.5
1943.....	105,619	91,486	69,379	75.8	65,871	72.0	4,100	4.5
1944.....	117,016	96,983	73,060	75.3	68,886	71.0	4,523	4.7
1945.....	117,563	95,744	71,317	74.5	66,411	69.4	4,530	4.7
1946.....	111,866	104,048	79,003	75.9	73,145	70.3	4,883	4.7
1947.....	122,843	118,775	92,088	77.5	86,234	72.6	5,113	4.3
1948.....	135,142	131,172	101,892	77.7	93,731	73.0	5,539	4.2
1949.....	134,379	130,131	99,645	76.6	93,520	71.9	5,133	3.9
1950.....	146,526	141,527	109,439	77.3	102,835	72.7	5,327	3.8
1951.....	170,776	162,136	131,000	80.8	118,243	72.9	6,101	3.8
1952.....	184,947	174,507	143,000	81.9	127,320	73.0	6,185	3.5
1953.....	197,363	186,950	155,000	82.9	138,657	74.2	6,147	3.3
1954.....	195,528	185,577	154,000	83.0	136,594	73.6	5,630	3.0
1955.....	210,354	200,576	169,000	84.3	148,144	73.9	5,794	2.9
1954								
January-March.....	47,703	45,190	37,000	81.9	32,465	71.8	1,386	3.1
April-June.....	48,305	45,816	38,000	82.9	33,472	73.1	1,391	3.0
July-September.....	48,908	46,421	38,000	81.9	33,874	73.0	1,407	3.0
October-December.....	50,612	48,150	41,000	85.2	36,783	76.4	1,446	3.0
1955								
January-March.....	49,574	47,156	38,000	80.6	33,869	71.8	1,341	2.8
April-June.....	51,787	49,297	40,000	81.1	36,182	73.4	1,417	2.9
July-September.....	53,600	51,157	43,000	84.1	37,816	73.9	1,517	3.0
October-December.....	55,393	52,966	45,000	85.0	40,277	76.0	1,519	2.9

¹ Continental United States, except as otherwise noted. Earnings and payroll data are before deduction of social insurance contributions. Data for 1952-55 preliminary.

² Wages and salaries paid in cash and in kind in continental United States and, in addition, pay of Federal personnel in all areas. Quarterly data reflect prorating of bonus payments.

³ Taxable plus estimated nontaxable wages paid in specified periods.

⁴ Excludes earnings of self-employed persons, who have been covered since Jan.

1, 1951. Beginning 1955, quarterly data exclude wages and salaries of agricultural labor, now reported only on annual basis.

⁵ Includes a small amount of taxable wages for Alaska and Hawaii. Beginning 1947, includes temporary disability insurance.

Source: Data on wage and salary disbursements from Office of Business Economics, Department of Commerce; payrolls covered by selected programs from reports of administrative agencies.

THE FISCAL YEAR

(Continued from page 2)

as a whole rose from 103,900 in June 1955 to 105,800 in June 1956. In the same period the average payment for blind recipients rose from \$57 to \$60.

Recipients of aid to the permanently and totally disabled numbered 258,300 in June 1956—21,500 more than in the preceding June. During the year, first payments were made under State-Federal programs for the disabled in Florida and Nebraska; 45 States now have such programs. The average payment rose about \$2—from \$55 to \$57.

There were about 290,000 general assistance cases in June 1956—20,000 less than in June 1955. The relative changes in the State caseloads were,

as usual, larger than those for the special types of public assistance. Of the 48 States for which data are available, 19 reported declines and 8 reported increases of more than 10 percent. The average payment per case dropped \$2, reflecting, at least in part, a slight decrease in the average number of persons per case. The average payment per person, however, was slightly higher.

A number of States made upward adjustments in their standards of assistance during the year. Several States also liberalized the policies under which their programs are operated. When States that set or adjusted maximums in relation to pooled funds to provide medical care under new or existing procedures are excluded, five States raised their

maximums on payments in old-age assistance. Two States raised the maximum on payments in aid to dependent children, four States in aid to the blind, and two States in aid to the permanently and totally disabled. A few States were meeting higher proportions of need in one or more programs in June 1956 than in June 1955.

A few States initiated procedures to conserve funds. Hawaii removed certain items from the standards of assistance under its five programs. Alabama began meeting a smaller proportion of need for the four special types of public assistance. For families receiving aid to dependent children, Washington reverted to meeting a percentage of need and Iowa imposed a maximum of \$175.

Table 4.—Status of the unemployment trust fund, by specified period, 1936-56¹

[In thousands]

Period	Total assets at end of period ²	Net total of U. S. Government securities acquired ³	Unexpended balance at end of period	State accounts				Railroad unemployment insurance account ⁴			
				Deposits	Interest earned	Withdrawals ⁵	Balance at end of period	Deposits	Interest earned	Withdrawals	Balance at end of period ⁶
Cumulative, January 1936-June 1956.....	\$8,794,426	\$8,701,480	* \$88,292	\$21,544,885	\$2,275,323	\$15,604,322	\$8,215,887	\$1,213,578	\$204,052	\$1,072,477	\$345,153
Fiscal year:											
1941-42.....	3,150,103	866,000	11,103	1,095,991	61,997	368,070	2,883,655	76,266	5,424	9,072	266,447
1942-43.....	4,372,460	1,228,000	5,460	1,217,686	75,562	174,334	4,002,569	92,441	6,862	1,834	369,891
1943-44.....	5,878,778	1,503,000	8,778	1,349,307	88,527	60,000	5,380,403	109,375	8,001	591	498,375
1944-45.....	7,315,258	1,347,173	8,064	1,256,003	113,139	70,492	6,679,054	118,794	10,502	785	636,204
1945-46.....	7,449,089	1,011,827	40,120	1,009,909	130,374	1,128,735	6,690,601	116,214	13,221	17,197	758,488
1946-47.....	7,869,044	443,000	17,044	1,005,273	131,418	817,802	7,009,491	127,576	15,470	81,657	859,554
1947-48.....	8,323,029	446,399	24,630	1,007,346	147,076	708,132	7,365,781	130,634	18,203	60,793	957,248
1948-49.....	8,160,141	-160,067	44,085	984,031	160,033	1,227,115	7,262,844	77	20,067	76,978	897,297
1949-50.....	7,428,181	-724,068	23,633	1,097,797	149,192	1,866,620	6,643,214	15,166	17,874	145,369	784,968
1950-51.....	8,073,548	649,933	15,035	1,362,718	149,469	847,190	7,308,211	14,891	16,593	61,115	785,337
1951-52.....	8,660,339	582,885	26,855	1,439,240	166,614	1,006,097	7,907,968	19,806	16,459	49,232	752,371
1952-53.....	9,250,069	589,961	20,850	1,371,184	188,587	908,442	8,559,297	19,906	16,415	97,921	690,772
1953-54.....	8,995,709	-248,075	5,352	1,245,961	208,841	1,604,819	8,409,280	22,079	15,632	142,055	586,429
1954-55.....	8,458,800	-545,162	10,508	1,146,188	186,784	1,759,544	7,982,797	15,881	11,277	202,648	410,939
1955-56.....	8,794,426			1,333,147	186,907	1,286,964	8,215,887	31,233	8,491	105,510	345,153
1955											
April-June.....	8,458,800	82,396	10,514	370,963	45,711	347,013	7,982,797	4,969	2,404	33,960	410,939
July-September.....	8,682,085	180,756	3,376	365,906	46,373	237,304	8,137,772	3,851	2,311	22,500	394,601
October-December.....	8,764,415	128,980	4,692	294,401	46,928	227,429	8,241,672	3,831	2,190	28,465	372,157
1956											
January-March.....	8,560,798	-250,000	4,113	210,131	46,882	433,468	8,065,216	3,784	2,047	33,875	344,114
April-June.....	8,794,426	197,938	* 88,292	472,710	46,724	368,763	8,215,887	19,768	1,942	20,670	345,153

¹ Data for 1940-43 not strictly comparable with data for later years because of differences in accounting methods in source materials used.² Beginning December 1954, includes assets of the Federal unemployment account, under the Employment Security Administrative Financing Act of 1954.³ Includes accrued interest and repayments on account of interest on bonds at time of purchase; minus figures represent primarily net total of securities redeemed.⁴ Includes transfers from State accounts to railroad unemployment insurance account amounting to \$107,161,000.⁵ Includes withdrawals of \$79,169,000 for disability insurance benefits.⁶ Beginning July 1947, includes temporary disability program.⁷ Includes transfers to the account from railroad unemployment insurance administration fund amounting to \$97,646,000 and transfers of \$12,338,000 out of the account to adjust funds available for administrative expenses on account of retroactive credits taken by contributors under the Railroad Unemployment Insurance Act Amendments of 1943.⁸ Includes transfer from general funds of \$81 million for the Federal unemployment account.

Source: Unpublished Treasury reports.

In June, Alaska began to meet only 90 percent of need for old-age assistance recipients; in the preceding 11 months, it had met need in full.

• Although the coverage of the unemployment insurance program was expanded by amendments enacted in 1954, fewer workers drew benefits in the year ended June 30, 1956, than in the preceding fiscal year and the total amount of benefits was less. Four and one-half million workers covered by the State programs and

the program of unemployment compensation for Federal employees received at least one benefit check during 1955-56; their average benefit for total unemployment was \$26.33; and total benefits amounted to \$1,312.7 million, received in compensation for 51.8 million weeks of unemployment. The average unemployed worker received benefit payments for 11.6 weeks.

Initial claims, which represent new unemployment, numbered 863,000 in June 1956—13 percent less than in

May. Insured unemployment continued to decline during June; the weekly average of 1.2 million was 6 percent less than the average for the preceding month. During an average week in June, 1.1 million unemployed workers drew benefits. The average check paid for total unemployment (\$26.79) was 10 cents higher than the average paid in May, but because June was a shorter workmonth than May the total amount of benefits paid declined nearly \$10.0 million to \$116.0 million.

Table 5.—Status of the old-age and survivors insurance trust fund, by specified period, 1937–56

[In thousands]

Period	Receipts		Expenditures		Assets		
	Net contribution income and transfers ¹	Interest received ²	Benefit payments	Administrative expenses ³	Net total of U. S. Government securities acquired ⁴	Cash balance at end of period	Total assets at end of period
Cumulative, January 1937–June 1956 ⁵	\$42,077,921	\$3,917,798	\$22,452,811	\$949,844	\$22,043,031	\$550,034	\$22,593,064
Fiscal year:							
1941–42	895,619	71,007	110,281	26,766	821,034	25,560	3,227,194
1942–43	1,130,495	87,403	149,304	27,492	1,035,200	31,462	4,268,296
1943–44	1,292,122	103,177	184,597	32,607	1,172,036	37,521	5,446,391
1944–45	1,309,919	123,854	239,834	26,950	1,137,411	67,100	6,613,381
1945–46	1,238,218	147,766	320,510	37,427	1,002,453	92,693	7,641,428
1946–47	1,459,867	163,466	425,582	40,788	1,193,600	56,056	8,798,390
1947–48	1,616,862	190,562	511,676	47,457	1,194,445	109,902	10,046,681
1948–49	1,693,575	230,194	607,036	53,465	1,293,891	79,279	11,309,949
1949–50	2,109,992	256,778	727,266	56,841	1,414,152	247,789	12,892,612
1950–51	3,124,098	287,392	1,498,088	70,447	1,677,976	412,768	14,735,567
1951–52	3,597,982	333,514	1,982,377	84,649	1,950,252	326,985	16,600,036
1952–53 ⁶	4,096,602	386,640	2,627,492	89,429	1,544,542	548,763	18,366,356
1953–54 ⁶	4,589,182	450,504	3,275,556	88,636	1,522,270	702,752	20,042,615
1954–55 ⁶	5,087,154	447,580	4,333,147	103,202	1,240,627	560,152	21,140,643
1955–56 ⁶	6,442,326	494,889	5,360,813	124,339	1,462,540	550,034	22,593,064
1955							
June ⁶	703,719	175,243	427,705	9,079	536,246	560,511	21,141,001
July	217,239	⁷ 7,439	423,430	11,131	266,104	84,524	20,931,119
August	923,619	1,330	428,390	10,241	438,002	132,840	21,417,437
September	519,117	15,330	428,522	9,976	–269,558	498,347	21,513,386
October	221,517	18,127	434,163	9,770	–228,059	522,116	21,309,097
November	704,700	4,219	436,644	12,542	179,000	602,849	21,568,830
December	340,055	201,141	437,443	9,479	135,884	561,238	21,663,104
1956							
January	186,056	⁷ 1,041	438,481	9,727	–247,406	547,533	21,401,992
February	661,916	3,303	444,634	9,999	70,352	687,767	21,612,579
March	520,119	13,737	457,667	10,227	175,942	577,786	21,678,541
April	598,353	18,427	471,736	9,568	–179,159	892,421	21,814,016
May	997,587	4,600	478,994	12,440	647,668	755,506	22,324,769
June ⁶	552,047	206,196	480,705	9,239	473,767	550,034	22,593,064

¹ For July 1940 to December 1950 equals taxes collected; beginning January 1951, equals amounts appropriated (estimated tax collections) and, from May 1951, deposits by States under voluntary coverage agreements. For 1947–51 includes amounts appropriated to meet costs of benefits payable to certain veterans' survivors. Beginning 1952, includes deductions to adjust for reimbursement to the General Treasury of the estimated amount of taxes subject to refund for employees who paid contributions on more than \$3,660 a year (through working for more than 1 employer)—\$66 million in October 1955 for 1954 taxes.

² Includes interest transferred from the railroad retirement account under the financial interchange provision of the Railroad Retirement Act, as amended in 1951. See footnote 6.

³ Represents net expenditures for administration. Beginning November 1951, adjusted for reimbursements to trust fund of small amounts for sales of supplies and services. Beginning October 1953, includes amounts for expenses of plans and preparations for construction authorized by P.L. 170, 83d Cong., 1st sess.

⁴ Includes accrued interest and repayments on account of accrued interest on bonds at time of purchase.

⁵ Data for fiscal years 1953–54 and 1954–55 and for June 1955 revised to correspond with *Final Statement of Receipts and Expenditures of the U. S. Government*. Because of the nature of certain of these revisions, total assets for 1952–53 are understated by approximately \$0.8 million. Cumulative data and those for fiscal year 1955–56 and June 1956 are preliminary.

⁶ Represents interest transferred from the railroad retirement account—in July 1955 on \$330.6 million for the fiscal year 1954–55—on the estimated amount that would place the old-age and survivors insurance trust fund in the same position it would have been in at the beginning of the fiscal year if railroad employment had always been covered under old-age and survivors insurance.

⁷ Includes \$50,781 profit to the fund on sale of securities.

Source: *Monthly Statement of Receipts and Expenditures of the U. S. Government* and unpublished Treasury report.

Table 6.—Old-age and survivors insurance: Monthly benefits in current-payment status at the end of the month, by type of benefit and by month, June 1955–June 1956, and monthly benefits awarded, June 1956

[Amounts in thousands; data corrected to July 19, 1956]

Item	Total		Old-age ¹		Wife's or husband's		Child's		Widow's or widower's ¹		Mother's		Parent's ¹	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Monthly benefits in current-payment status at end of month:														
1955														
June.....	7,563,519	\$384,025.2	4,214,776	\$257,230.1	1,131,262	\$37,011.2	1,220,855	\$43,730.4	689,774	\$32,150.0	281,231	\$12,677.4	25,621	\$1,226.1
July.....	7,643,250	389,411.2	4,266,655	261,174.6	1,143,796	37,510.6	1,228,209	44,101.1	695,011	32,532.5	283,929	12,858.1	25,650	1,234.4
August.....	7,724,551	394,733.0	4,318,020	264,992.2	1,154,962	37,962.6	1,237,185	44,549.4	702,645	32,984.3	286,008	13,002.3	25,731	1,242.2
September.....	7,796,310	399,203.8	4,361,542	268,118.5	1,165,314	38,363.5	1,246,578	45,010.0	710,193	33,401.7	286,813	13,058.6	25,870	1,251.6
October.....	7,855,522	403,960.0	4,406,750	271,652.1	1,176,324	38,801.8	1,257,568	45,537.5	700,631	33,550.9	288,455	13,167.5	25,994	1,250.1
November.....	7,901,917	407,861.9	4,441,542	274,499.2	1,184,794	39,126.0	1,266,991	45,985.1	693,498	33,729.7	290,039	13,272.3	25,953	1,249.5
December.....	7,960,616	411,612.8	4,473,971	276,941.8	1,191,963	39,415.5	1,276,240	46,443.6	701,360	34,152.2	291,916	13,403.0	25,166	1,256.5
1956														
January.....	8,003,915	414,669.5	4,497,924	278,944.5	1,197,385	39,668.0	1,281,915	46,782.0	709,569	34,585.9	291,850	13,425.5	25,272	1,263.6
February.....	8,069,862	419,429.8	4,541,282	282,556.5	1,207,832	40,119.4	1,287,480	47,096.4	715,965	34,932.3	292,003	13,459.1	25,300	1,266.1
March.....	8,149,733	424,975.4	4,594,991	286,817.7	1,219,883	40,605.2	1,293,384	47,422.3	723,119	35,317.0	292,990	13,542.4	25,366	1,270.8
April.....	8,235,594	430,675.4	4,649,159	290,968.1	1,233,164	41,141.2	1,301,683	47,859.3	731,146	35,750.0	294,950	13,677.7	25,492	1,279.1
May.....	8,315,314	435,742.9	4,697,531	294,528.6	1,246,118	41,632.8	1,310,331	48,312.0	739,968	36,224.6	295,771	13,759.0	25,595	1,285.8
June.....	8,374,453	439,423.8	4,731,942	296,976.4	1,255,018	41,968.4	1,316,728	48,662.0	747,766	36,647.7	297,294	13,875.9	25,705	1,293.3
Monthly benefits awarded in June 1956.....	131,230	7,338.3	70,587	4,836.0	23,827	811.9	19,175	748.0	11,265	586.7	6,105	340.3	271	15.4

¹ Beginning December 1955, all benefits of persons receiving both an old-age benefit and widow's, widower's, or parent's secondary benefit are included only in the number of old-age benefits and the amount of the reduced secondary benefit is combined with the amount of the old-age benefit.

Table 7.—Old-age and survivors insurance: Number of monthly benefits awarded, by type of benefit, number of lump-sum death payments awarded, and number of deceased workers represented for the first time in awards of lump-sum death payments, 1940–56

[Corrected to July 20, 1956]

Year and quarter ¹	Monthly benefits							Lump-sum awards ²	
	Total	Old-age	Wife's or husband's	Child's	Widow's or widower's	Mother's	Parent's	Number of payments	Number of deceased workers
1940.....	254,984	132,335	34,555	59,382	4,600	23,260	852	75,095	61,090
1941.....	269,286	114,660	36,213	75,619	11,020	30,502	1,272	117,303	90,941
1942.....	258,116	99,622	33,250	77,384	14,774	31,820	1,266	134,991	103,332
1943.....	262,865	89,070	31,916	85,619	19,576	35,420	1,264	163,011	122,185
1944.....	318,949	110,097	40,349	99,676	24,759	42,649	1,419	205,177	151,869
1945.....	462,463	185,174	63,068	127,514	29,844	55,108	1,755	247,012	178,813
1946.....	547,150	258,980	88,515	114,875	38,823	44,190	1,767	250,706	179,588
1947.....	572,909	271,488	94,189	115,754	45,249	42,807	3,422	218,787	181,992
1948.....	596,201	275,903	98,554	118,955	55,667	44,276	2,846	213,096	200,090
1949.....	682,241	337,273	117,356	118,922	62,928	43,087	2,675	212,614	202,154
1950.....	962,628	567,131	162,768	122,641	66,735	41,101	2,252	209,960	200,411
1951.....	1,336,432	702,984	228,887	230,500	89,591	78,323	6,147	431,229	414,470
1952.....	1,053,303	531,206	177,707	183,345	92,302	64,875	3,868	456,531	437,896
1953.....	1,419,462	771,671	246,856	212,178	112,866	71,945	3,946	532,846	511,986
1954.....	1,401,733	749,911	236,764	212,796	128,026	70,775	3,461	536,341	516,158
1955.....	1,657,773	909,883	288,915	238,795	140,624	76,018	3,538	589,612	566,830
1953									
January-March.....	370,900	206,775	66,868	51,041	27,700	17,496	920	127,557	122,779
April-June.....	402,570	222,130	70,609	58,877	30,146	19,701	1,107	147,502	141,611
July-September.....	331,370	178,283	56,684	50,993	26,987	17,456	967	127,877	122,604
October-December.....	314,722	164,483	52,695	51,267	28,033	17,292	952	129,910	124,992
1954									
January-March.....	346,440	187,531	59,037	52,257	29,091	17,634	890	136,587	131,749
April-June.....	380,542	209,201	64,266	56,167	31,480	18,464	964	145,660	140,211
July-September.....	326,154	176,190	55,495	49,217	28,177	16,265	810	127,417	122,338
October-December.....	348,597	176,989	57,966	55,155	39,278	18,412	797	126,677	121,860
1955									
January-March.....	396,719	219,209	75,936	50,547	34,389	15,917	721	127,646	122,660
April-June.....	504,709	291,587	86,914	67,375	36,663	21,263	907	165,082	159,272
July-September.....	402,163	217,949	67,324	61,535	34,855	19,631	969	149,649	143,806
October-December.....	354,182	181,238	58,741	59,338	34,717	19,207	941	147,235	141,092
1956									
January-March.....	346,713	185,205	59,910	52,381	31,835	16,590	792	140,862	135,218
April-June.....	413,242	223,471	73,643	60,706	35,268	19,242	912	162,620	155,268

¹ Quarterly data for 1940–44 were presented in the *Bulletin* for February 1947, p. 29; for 1945–48, in the *Bulletin* for February 1949, p. 29; for 1949–52, in the *Bulletin* for March 1953, p. 30.

² Effective Sept. 1, 1950, a lump-sum death payment is payable with respect to every insured individual who dies after August 1950.

Table 8.—Employment security: Selected data on nonfarm placements and unemployment insurance claims and benefits, by State, June 1956¹

Region and State	Nonfarm place- ments	Initial claims ¹		Weeks of unemploy- ment covered by continued claims		Compensated unemployment					Average weekly insured unem- ployment under State programs ⁴
		Total	Women ³	Total	Women	All types of unemployment ⁴			Total unemployment		
						Weeks compen- sated	Benefits paid ⁴	Average weekly number of benefi- ciaries	Weeks compen- sated	Average weekly payment	
Total.....	558,227	862,763	392,047	5,083,705	2,329,595	4,503,003	\$116,039,517	1,072,144	4,090,692	\$26.79	*1,177,590
Region I:											
Connecticut.....	9,367	17,420	10,936	64,500	40,767	59,036	1,541,052	14,056	53,337	27.42	15,199
Maine.....	3,543	4,920	2,808	28,851	17,653	25,972	449,969	6,184	22,938	17.91	6,152
Massachusetts.....	17,922	31,393	20,186	148,703	86,705	138,476	3,242,396	32,970	117,308	24.51	34,030
New Hampshire.....	2,331	3,774	2,377	25,067	16,028	23,180	466,013	5,519	20,012	21.44	5,912
Rhode Island.....	2,113	15,450	9,615	48,241	27,531	45,015	1,117,061	10,718	40,778	25.80	10,821
Vermont.....	1,884	1,287	1,018	6,415	4,715	5,608	115,756	1,335	5,124	21.49	1,586
Region II:											
New Jersey.....	12,765	55,367	35,499	270,615	151,318	258,775	7,728,047	61,613	223,025	31.02	63,197
New York.....	74,293	150,710	86,032	751,638	415,656	731,894	20,383,672	174,260	648,638	29.53	176,235
Puerto Rico.....	2,556	240	36	2,031	226	568	13,464	135	556	23.94
Virgin Islands.....	215	2	0	0	0	16	326	4	16	20.38
Region III:											
Delaware.....	815	1,237	471	7,173	2,751	7,510	223,191	1,788	7,175	30.33	1,708
District of Columbia.....	3,388	2,493	770	15,077	6,166	13,809	352,858	3,288	13,469	25.70	3,624
Maryland.....	8,378	9,481	4,708	56,242	28,125	50,945	1,152,149	12,130	46,584	23.28	12,230
North Carolina.....	14,604	35,759	21,317	159,954	94,710	146,919	2,465,153	34,981	133,028	17.07	35,578
Pennsylvania.....	26,051	89,516	39,912	554,150	243,645	504,724	12,922,353	120,172	450,404	26.88	130,098
Virginia.....	7,621	8,945	4,006	66,592	42,181	57,661	970,601	13,729	55,699	17.00	16,025
West Virginia.....	2,465	6,130	1,311	42,722	13,379	30,792	581,088	7,331	26,744	19.84	10,117
Region IV:											
Alabama.....	8,073	12,894	2,947	140,025	25,542	68,847	1,388,658	16,392	66,715	20.39	32,468
Florida.....	18,294	14,913	7,300	59,418	30,971	42,700	858,681	10,167	40,862	20.37	14,103
Georgia.....	10,117	15,221	6,845	102,598	55,281	84,154	1,624,241	20,037	76,614	19.95	24,531
Mississippi.....	6,935	7,656	2,374	46,311	16,372	32,672	608,408	7,779	29,863	19.23	10,763
South Carolina.....	6,825	9,430	4,185	55,547	28,328	46,771	933,656	11,136	42,278	20.47	12,966
Tennessee.....	9,450	14,970	6,041	159,863	72,354	153,278	2,999,791	36,495	144,655	19.89	36,675
Region V:											
Kentucky.....	4,632	11,069	3,410	132,797	47,174	111,156	2,243,515	26,466	103,134	20.78	30,596
Michigan.....	13,022	56,536	13,585	506,611	129,672	456,079	15,586,364	108,590	444,969	34.58	115,902
Ohio.....	29,098	35,287	12,297	204,426	95,940	181,405	5,318,404	43,106	168,727	30.34	48,943
Region VI:											
Illinois.....	22,029	38,467	16,445	269,971	141,870	226,337	5,890,212	53,890	195,612	27.89	64,357
Indiana.....	7,026	27,371	7,216	144,534	56,321	139,696	3,607,416	33,261	127,957	26.83	33,622
Minnesota.....	12,580	5,518	2,148	49,330	21,678	41,037	918,973	9,771	38,305	22.84	11,127
Wisconsin.....	10,860	17,001	6,322	76,700	31,606	64,486	1,968,460	15,354	58,984	31.07	18,175
Region VII:											
Iowa.....	6,750	3,976	1,664	25,069	13,508	21,740	494,656	5,176	18,780	24.22	6,297
Kansas.....	10,030	3,885	1,137	23,248	8,149	23,074	593,716	5,494	21,205	26.55	5,453
Missouri.....	8,449	20,764	9,240	114,896	56,880	89,593	1,762,935	21,332	77,179	21.06	26,313
Nebraska.....	5,565	2,255	1,046	14,031	8,254	13,874	320,282	3,303	13,103	23.73	3,198
North Dakota.....	1,970	246	65	2,199	918	1,920	44,293	457	1,588	24.10	435
South Dakota.....	2,122	352	118	2,121	1,036	1,868	40,122	445	1,723	22.05	496
Region VIII:											
Arkansas.....	5,965	6,410	1,946	39,584	11,162	25,159	467,485	5,990	23,067	19.01	8,978
Louisiana.....	8,315	9,714	1,920	50,452	11,975	41,129	876,365	9,793	37,468	22.03	11,904
Oklahoma.....	13,444	5,966	1,807	36,871	14,900	34,671	808,399	8,255	31,752	24.09	8,467
Texas.....	47,147	14,691	4,468	92,286	32,216	85,881	1,858,583	20,448	83,166	21.92	21,190
Region IX:											
Colorado.....	9,328	1,999	708	8,546	3,285	7,375	164,082	1,756	6,575	24.81	2,027
Montana.....	3,215	735	274	6,625	2,902	6,047	137,653	1,440	6,047	22.59	1,379
New Mexico.....	3,731	2,013	252	8,721	1,601	8,060	191,121	1,919	7,343	24.37	2,131
Utah.....	3,586	1,994	569	10,019	5,203	8,669	209,903	2,064	7,599	25.62	2,402
Wyoming.....	2,118	334	87	3,717	809	2,990	83,616	712	1,963	26.95	719
Region X:											
Arizona.....	6,393	2,787	699	13,745	4,196	10,698	265,153	2,547	9,902	25.34	3,158
California.....	44,059	61,731	25,982	324,355	168,732	266,090	7,104,213	63,355	242,444	27.78	75,082
Hawaii.....	670	1,446	481	11,885	4,903	9,929	235,792	2,364	8,690	25.03	(?)
Nevada.....	2,311	1,531	322	6,972	2,158	8,030	247,205	1,912	7,501	31.40	1,613
Region XI:											
Alaska.....	1,179	369	87	4,046	817	4,793	164,450	1,141	4,497	34.82	(?)
Idaho.....	4,642	726	362	5,961	3,418	5,158	120,409	1,228	4,796	23.78	1,356
Oregon.....	8,900	7,741	4,109	27,322	9,328	26,836	709,437	6,390	24,649	26.94	6,327
Washington.....	9,086	10,641	2,587	54,822	18,580	50,261	1,467,719	11,967	46,122	30.08	11,925

¹ Includes, except as otherwise noted, data for the Federal employees' unemployment insurance program, administered by the States as agents of the Federal Government.

² Total excludes transitional claims.

³ Excludes claims filed solely under the Federal employees' unemployment insurance program.

⁴ Total, part-total, and partial.

* Not adjusted for voided benefit checks and transfers under interstate combined-wage plan.

¹ Excludes Alaska and Hawaii.

² Data not available.

Source: Department of Labor, Bureau of Employment Security, and affiliated State agencies.

Table 9.—Public assistance in the United States, by month, June 1955–June 1956¹

[Except for general assistance, includes vendor payments for medical care and cases receiving only such payments]

Year and month	Total ²	Old-age assistance	Aid to dependent children		Aid to the blind	Aid to the permanently and totally disabled	General assistance (cases)	Total	Old-age assistance	Aid to dependent children (families)	Aid to the blind	Aid to the permanently and totally disabled	General assistance (cases)	
			Families	Recipients										
				Total ³										Children

1955														
Number of recipients								Percentage change from previous month						
June.....		2,548,503	620,303	2,239,328	1,691,613	103,902	236,828	310,000	-----	(⁴)	-0.8	+0.2	+0.9	-5.9
July.....		2,550,101	611,578	2,209,299	1,668,914	104,140	238,763	297,000	-----	+0.1	-1.4	+2	+8	-4.1
August.....		2,551,615	607,822	2,199,090	1,661,809	104,164	240,299	297,000	-----	+1	-6	(⁵)	+6	-1.7
September.....		2,552,536	604,457	2,191,138	1,656,814	104,249	240,870	290,000	-----	(⁴)	-6	+1	+2	-2.4
October.....		2,552,991	598,459	2,171,169	1,642,869	104,444	242,320	286,000	-----	(⁵)	-1.0	+2	+6	-1.3
November.....		2,554,709	598,113	2,173,222	1,644,728	104,718	242,122	297,000	-----	+1	-1	+3	-1	+3.8
December.....		2,552,899	602,787	2,193,215	1,661,206	104,860	244,010	314,000	-----	-1	+8	+1	+8	+5.9
1956														
January.....		2,545,576	605,674	2,205,913	1,670,728	104,947	245,210	330,000	-----	-3	+5	+1	+5	+5.1
February.....		2,538,518	608,628	2,220,653	1,682,363	104,772	247,117	336,000	-----	-3	+5	-2	+8	+1.7
March.....		2,535,419	613,246	2,240,856	1,698,296	105,083	249,118	336,000	-----	-1	+8	+3	+8	(⁶)
April.....		2,530,720	615,985	2,253,738	1,708,484	105,229	251,533	322,000	-----	-2	+4	+1	+1.0	-4.2
May.....		2,527,753	617,058	2,258,858	1,713,503	105,469	255,954	303,000	-----	-1	+2	+2	+1.8	-5.9
June.....		2,523,716	613,720	2,250,229	1,707,629	105,796	258,279	290,000	-----	-2	-5	+3	+9	-4.3
1955														
Amount of assistance								Percentage change from previous month						
June.....	\$228,474,000	\$133,292,041	\$53,830,416	\$5,964,848	\$13,009,522	\$16,666,000		-0.4	+0.5	-0.7	+1.1	+0.9	-7.1	
July.....	227,688,000	134,267,369	52,998,023	5,906,567	13,188,555	15,946,000		-3	+7	-1.5	-1.0	+1.4	-4.3	
August.....	226,875,000	133,649,806	52,763,377	5,888,035	13,300,930	15,718,000		-4	-5	-4	-3	+9	-1.4	
September.....	227,079,000	133,999,430	52,851,801	5,945,057	13,284,871	15,358,000		+1	+3	+2	+1.0	-1	-2.3	
October.....	228,821,000	136,034,539	52,512,850	6,039,250	13,450,637	15,178,000		+8	+1.5	-6	+1.6	+1.2	-1.2	
November.....	230,400,000	136,805,741	52,580,182	6,054,577	13,458,492	15,849,000		+7	+6	+1	+3	+1	+4.4	
December.....	234,139,000	137,666,789	53,415,407	6,090,775	13,709,025	17,300,000		+1.6	+6	+1.6	+6	+1.9	+9.2	
1956														
January.....	235,480,000	138,276,533	53,474,008	6,100,996	13,784,271	18,012,000		+6	+4	+1	+2	+5	+4.1	
February.....	235,733,000	137,284,906	54,051,618	6,110,375	13,943,747	18,506,000		+1	-7	+1.1	+2	+1.2	+2.7	
March.....	237,157,000	137,313,059	54,818,422	6,144,744	14,082,191	18,585,000		+6	(⁴)	+1.4	+6	+1.0	+4	
April.....	236,526,000	137,412,301	55,239,202	6,170,895	14,272,922	17,407,000		-3	+1	+8	+4	+1.4	-6.3	
May.....	235,923,000	137,436,276	55,222,638	6,375,783	14,557,834	16,054,000		-3	(⁴)	(⁵)	+3.3	+2.0	-7.8	
June.....	233,756,000	137,005,608	54,785,725	6,392,529	14,649,950	15,051,000		-9	-3	-8	+3	+6	-6.2	

¹ For definition of terms see the *Bulletin*, January 1953, p. 16. All data subject to revision.

² Total exceeds sum of columns because of inclusion of vendor payments for medical care from general assistance funds and from special medical funds; data for such expenditures partly estimated for some States.

³ Includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.

⁴ Increase of less than 0.05 percent.

⁵ Decrease of less than 0.05 percent.

SOCIAL SECURITY AMENDMENTS

(Continued from page 15)

vivors insurance coverage on a contributory basis be given "serious consideration." A similar Select Committee was appointed pursuant to House Resolution 35 (Eighty-fourth Congress, January 31, 1955). This Committee, under the chairmanship of Representative Hardy, after extensive public hearings and executive

sessions, reported H.R. 7089 favorably on June 28, 1955. The bill passed the House of Representatives on July 13 by a voice vote, unchanged except for an amendment concerning the crediting of military service under the railroad retirement program rather than under old-age and survivors insurance in certain cases.

The bill was referred to the Senate Committee on Finance, too late in the session for action during 1955.

The Committee held public hearings on the bill from June 4 to June 8, 1956, and reported the bill favorably, with relatively minor amendments, on June 28. The bill passed the Senate by a voice vote on July 2.

The conferees from the House and Senate completed their report, and the bill was adopted by both bodies on July 17. The President signed it on August 1, 1956, and the amendments became Public Law No. 881.

Table 10.—Amount of vendor payments for medical care for recipients of public assistance, by program and State, June 1956 ¹

State	Old-age assistance	Aid to dependent children	Aid to the blind	Aid to the permanently and totally disabled	General assistance ²
Total.....	\$11,615,168	\$2,046,026	\$315,952	\$2,185,337	³ \$5,871,000
Alabama.....	420	513	51	359	14
Alaska.....				(⁴)	23,965
California.....	225,150		19,410	(⁴)	78,328
Colorado.....			417		(⁴)
Connecticut.....	278,885	96,570	6,066	72,522	(⁴)
District of Columbia.....	864	531	166	3,123	(⁴)
Hawaii.....	17,710	6,002	945	15,852	(⁴)
Illinois.....	1,837,846	277,550	56,265	363,654	502,982
Indiana.....	477,842	79,624	19,375	(⁴)	176,473
Iowa.....				(⁴)	218,629
Kansas.....	230,491	41,873	4,912	35,335	36,081
Louisiana.....	449	7,842	536	3,330	3,166
Maine.....	47,376	13,461	1,569	3,774	44,674
Massachusetts.....	2,232,095	172,399	7,452	524,447	141,456
Michigan.....	167,544		2,077	27,984	122,961
Minnesota.....	1,344,101	123,900	40,414	12,159	184,147
Montana.....					153,886
Nebraska.....					200,904
Nevada.....	6,902			(⁴)	71,400
New Hampshire.....	70,884	13,433	2,349	5,520	(⁴)
New Jersey.....		20,004	21		126,647
New Mexico.....	38,276	23,311	1,880	6,433	3,042
New York.....	2,221,606	708,972	90,597	833,420	(⁴)
North Carolina.....	47,610	18,471		13,094	194,700
North Dakota.....	154,406	19,919	196	24,957	22,977
Ohio.....	324,246	13,664	9,070		955,610
Oregon.....					226,229
Pennsylvania.....	131,217	119,985	31,581	49,113	52,298
Rhode Island.....	49,635	34,670	1,194	17,567	36,101
South Carolina.....					9,424
South Dakota.....					98,411
Utah.....	1,600	1,452	159	366	237
Virgin Islands.....	342	115	15	50	141
Virginia.....					12,526
Washington.....	1,130,938	126,273	9,007	128,629	187,394
Wisconsin.....	676,753	125,537	16,228	43,669	139,107
Wyoming.....					38,673

¹ For the special types of public assistance figures in italics represent payments made without Federal participation. States not shown made no vendor payments during the month or did not report such payments.

² In all States except California, Illinois, Kansas, Louisiana, Massachusetts, Nevada, New Jersey, Pennsylvania, Utah, and the Virgin Islands includes payments made on behalf of recipients of the special types of public assistance.

³ Includes an estimated amount for States making vendor payments for medical care from general assistance funds and from special medical funds and reporting these data semiannually but not on a monthly basis.

⁴ No program for aid to the permanently and totally disabled.

⁵ Data not available.

Table 11.—Average payments including vendor payments for medical care, average amount of money payments, and average amount of vendor payments for assistance cases, by program and State, June 1956¹

State	Old-age assistance			Aid to dependent children (per family)			Aid to the blind			Aid to the permanently and totally disabled		
	All assist- ance ²	Money pay- ments to recip- ients ³	Vendor pay- ments for medical care ³	All assist- ance ²	Money pay- ments to recip- ients ³	Vendor pay- ments for medical care ³	All assist- ance ²	Money pay- ments to recip- ients ³	Vendor pay- ments for medical care ³	All assist- ance ²	Money pay- ments to recip- ients ³	Vendor pay- ments for medical care ³
Total, 53 States ⁴	\$54.29	\$49.99	\$4.60	\$80.27	\$86.05	\$3.33	\$60.42	\$57.64	\$2.99	\$56.72	\$48.84	\$8.46
Alabama	32.55	32.55	(⁵)	41.19	41.16	.03	33.59	33.56	.03	34.51	34.48	.03
California	71.44	70.87	.84				88.66	87.50	1.48	(⁵)	(⁵)	(⁵)
Colorado							66.90	65.63	1.27			
Connecticut	90.18	73.18	17.00	136.85	118.85	18.00	99.06	81.06	18.00	118.42	84.42	34.00
District of Columbia	53.85	53.57	.28	109.76	109.49	.27	60.99	60.35	.64	62.74	61.38	1.35
Hawaii	47.24	36.40	10.83	83.00	81.05	1.95	57.61	48.44	9.17	59.98	47.91	12.07
Illinois	60.88	42.41	20.23	136.54	125.51	11.07	67.53	52.02	16.29	86.02	48.95	38.37
Indiana	51.56	38.41	13.92	91.93	82.90	9.16	63.35	53.06	10.79	(⁵)	(⁵)	(⁵)
Kansas	67.19	60.65	6.91	112.14	103.74	9.15	73.50	66.00	7.92	70.84	62.05	9.20
Louisiana	54.63	54.63	(⁵)	73.25	72.86	.40	51.64	51.38	.26	45.89	45.65	.24
Maine	50.04	46.20	4.00	84.22	81.22	3.00	53.98	51.08	2.99	58.39	52.39	6.00
Massachusetts	82.17	56.57	26.10	132.66	119.48	13.57	103.27	102.88	.78	104.84	59.33	49.05
Michigan	57.47	56.64	2.36				63.96	63.69	1.16	75.21	74.42	11.02
Minnesota	70.81	45.07	26.42	126.06	111.08	15.36	86.03	53.05	33.73	57.15	49.32	9.48
Nevada	61.74	60.23	2.67							(⁵)	(⁵)	(⁵)
New Hampshire	62.33	50.40	12.00	136.80	123.67	13.50	67.33	58.33	9.00	86.84	57.05	20.00
New Jersey				121.91	118.84	3.07	71.55	71.61	.02			
New Mexico	49.46	45.22	4.24	85.13	81.29	3.84	48.26	43.45	4.81	46.12	42.29	3.83
New York	83.10	63.34	23.15	139.56	128.01	13.14	91.39	73.96	20.71	76.11	68.12	20.80
North Carolina	32.71	31.79	.92	62.95	62.03	.93				38.53	37.53	1.00
North Dakota	71.73	53.91	19.17	122.76	111.75	12.17	57.50	55.76	1.73	80.96	56.04	26.72
Ohio	59.45	56.15	3.30	89.53	88.74	.79	57.92	55.50	2.41			
Pennsylvania	46.48	43.99	2.49	107.10	102.94	4.16	61.61	59.72	1.89	55.02	51.18	3.85
Rhode Island	62.91	58.22	6.27	114.46	104.46	10.00	71.28	65.57	7.33	76.39	68.23	11.20
Utah	60.69	60.52	.17	113.01	112.51	.50	67.62	66.95	.67	65.53	65.33	.20
Virgin Islands	18.54	18.05	.51	35.51	35.16	.32	(⁵)	(⁵)	(⁵)	19.47	18.97	.50
Washington	82.37	62.75	19.90	120.21	106.43	13.98	91.39	80.15	11.44	98.29	74.82	23.86
Wisconsin	66.95	53.18	15.83	144.96	129.59	15.60	73.92	59.43	14.69	101.76	65.89	36.08

¹ Averages for general assistance not computed because of difference among States in policy or practice regarding use of general assistance funds to pay medical bills for recipients of the special types of public assistance. Figures in italics represent payments made without Federal participation. States not shown made no vendor payments during the month or did not report such payments.

² Averages based on cases receiving money payments, vendor payments for medical care, or both.

³ Averages based on number of cases receiving payments. See tables 12, 13, 14, and 16 for average money payments for States not making vendor payments.

⁴ For aid to the permanently and totally disabled represents data for the 45 States with programs in operation.

⁵ Less than 1 cent.

⁶ No program for aid to the permanently and totally disabled.

⁷ Average payment not computed on base of less than 50 recipients.

Table 12.—Old-age assistance: Recipients and payments to recipients, by State, June 1956¹

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	May 1956 in—		June 1955 in—	
				Number	Amount	Number	Amount
Total ²	2,523,716	\$137,005,608	\$54.29	-0.2	-0.3	-1.0	+2.8
Ala.	100,236	3,262,741	32.55	+4	+6	+42.2	+30.7
Alaska	1,667	97,811	58.67	-2	-9.8	-1.9	-9.7
Ariz.	14,058	782,700	55.68	+2	+2	+2.1	+1.7
Ark.	55,127	1,825,380	33.11	+2	+4	+8	-1.2
Calif.	267,320	19,097,740	71.44	(³)	-7	-7	+5.8
Colo. ²	52,628	4,312,851	81.95	-2	-3	+3	-3.4
Conn.	16,405	1,479,394	90.18	-2	+4	-2.5	+3.4
Del.	1,573	70,458	44.79	-1.1	-1.0	-3.3	+8.5
D. C.	3,058	164,671	53.85	-1	+3	-6	-3
Fla.	69,001	3,242,307	46.99	(³)	+1	-4	+1.1
Ga.	98,100	3,761,304	38.34	(³)	+1	-3	+1.1
Hawaii	1,635	77,230	47.24	-1.3	-4	-9.3	-11.2
Idaho	8,367	464,600	55.53	-8	-7	-3.5	-2.3
Ill.	90,831	5,529,745	60.88	-5	-7	-4.7	-6.3
Ind.	34,325	1,769,822	51.56	-5	-2.2	-6.6	-7
Iowa	39,613	2,416,030	60.99	-5	-2	-4.3	+1.3
Kans.	33,345	2,240,422	67.19	-4	+5	-2.4	-4
Ky.	55,499	1,973,768	35.56	+8	+6	-1	+4
La.	121,339	6,629,234	54.63	+1	(³)	+1.0	+8.3
Maine	11,847	592,786	50.04	-2	-4	-5.7	+1.7
Md.	10,204	474,727	46.52	-2	(³)	-3.2	-4
Mass.	85,525	7,027,323	82.17	-4	-3	-4.0	+2.0
Mich.	71,066	4,080,688	57.47	-4	(³)	-5.2	-2.2
Minn.	50,871	3,602,351	70.81	-3	-2.4	-1.6	+5.0
Miss.	70,865	2,041,097	28.80	-5	-5	+2	+3.4
Mo.	129,248	6,434,953	49.79	-3	-2	-2.8	-2.4
Mont.	8,537	496,650	58.18	-8	-7	-5.3	-4.9
Nebr.	17,416	919,305	52.79	-2	(³)	-2.2	+2.6
Nev.	2,587	159,717	61.74	-3	+4	-1.6	+5.7
N. H.	5,907	368,206	62.33	-7	-1	-6.1	-8
N. J.	19,664	1,456,682	74.08	-2	+1.3	-3.3	+4.5
N. Mex.	9,025	446,416	49.46	+4	+5.6	-11.6	+37.0
N. Y.	95,982	7,975,807	83.10	-6	-1.7	-5.6	-7
N. C.	51,750	1,692,958	32.71	(³)	+2	-1	+3.0
N. Dak.	8,056	577,873	71.73	+1	+1.7	-2.4	+11.5
Ohio	98,210	5,838,988	59.45	-3	+5	-3.1	-1.1
Okla.	94,959	6,106,289	64.30	-1	-2	-3	+4.3
Oreg.	18,571	1,217,109	65.54	-6	-1.6	-4.9	-4.1
Pa.	52,678	2,448,354	46.48	-6	-3	-7.2	-5.7
P. R.	43,633	345,883	7.93	+4	+3	-1.9	-1.0
R. I.	7,910	497,648	62.91	-5	+3	-2.5	+3.2
S. C.	42,400	1,388,028	32.74	-4	-1	-2.0	-1.3
S. Dak.	10,273	462,840	45.05	-6	-6	-4.6	-4.0
Tenn.	61,115	2,082,078	34.07	-5	-7	-7.1	-9.0
Tex.	222,993	9,314,509	41.77	(³)	+1	(³)	+6.8
Utah	9,243	500,961	60.69	-6	-7	-2.1	-3
Vt.	6,682	330,966	49.53	-1	(³)	-2.6	+8.1
V. I.	669	12,402	18.54	-6	-5	-2.9	-3.0
Va.	16,567	515,774	31.13	-5	-4	-3.7	-6
Wash.	56,832	4,681,149	82.37	-2	-3	-3.5	+29.1
W. Va.	23,077	656,556	28.45	-2	-2	-4.8	-2.2
Wis.	41,400	2,771,590	66.95	-4	-1	-3.9	+1.3
Wyo.	3,887	228,737	58.85	-5	-4	-2.6	-2.4

¹ For definition of terms see the *Bulletin*, January 1953, p. 16. All data subject to revision.

² Includes 4,308 recipients aged 60-64 in Colorado and payments of \$388,772 to these recipients. Such payments are made without Federal participation.

³ Increase of less than 0.05 percent.

⁴ Decrease of less than 0.05 percent.

⁵ In addition, supplemental payments of \$143,317 were made to recipients from general assistance funds.

⁶ Based on data excluding vendor payments for medical care for June 1955.

Table 13.—Aid to the blind: Recipients and payments to recipients, by State, June 1956¹

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	May 1956 in—		June 1955 in—	
				Number	Amount	Number	Amount
Total ²	105,796	\$6,392,529	\$60.42	+0.3	+0.3	+1.8	+7.2
Ala.	1,700	57,095	33.59	+2	+7	+5.1	(³)
Alaska	74	5,336	72.11	(³)	(³)	(³)	(³)
Ariz.	779	50,446	64.76	+1	+2	+4.0	+5.4
Ark.	2,039	80,808	39.63	+1	+2	+1.8	-4
Calif. ²	13,154	1,166,291	88.66	+5	(³)	+3.9	+9.1
Colo.	328	21,942	66.90	-6	-4	+3.8	+3.3
Conn.	337	33,332	99.06	+1.8	+1.6	+2.4	+12.5
Del.	216	13,849	64.12	+9	+1.7	+1.4	+4.0
D. C.	259	15,797	60.99	+4	+1.4	+1.2	+4.0
Fla.	2,647	130,369	49.25	-7	-1	-7.0	-6.6
Ga.	3,454	149,943	43.41	-1	+2	+2.1	+3.2
Hawaii	103	5,934	57.61	-1.9	-1	-12.0	-8.9
Idaho	186	11,460	61.61	-1.1	-6	+5	+1.6
Ill.	3,454	233,246	67.53	-2	(³)	-2.9	-4.4
Ind.	1,795	113,718	63.35	+1	+1	+2	+8.3
Iowa	1,494	111,432	74.59	+2	+5	+4.4	+6.0
Kans.	620	45,567	73.50	-1.6	-5	-1.7	-1.5
Ky.	3,123	115,519	36.99	+7	+7	+5.9	+5.6
La.	2,057	106,221	51.64	+2	+1.3	+4	+4.2
Maine	524	28,283	53.98	0	+4	-3.5	+3.3
Md.	470	25,080	53.36	-6	-5	-1.7	+1.2
Mass.	1,869	193,008	103.27	-1.0	-1.2	+4.3	+14.8
Mich.	1,783	114,046	63.96	-1.9	-6	-2.4	-3
Minn.	1,198	103,067	86.03	-4	-1.8	-4.0	-35.5
Miss.	3,820	148,248	38.81	+5	+6	+6.4	+19.5
Mo.	4,798	287,880	60.00	+2.0	+2.0	+10.5	+27.9
Mont.	425	27,888	65.62	+2	(³)	-4.7	-3.6
Nebr.	818	53,509	65.41	+1.0	+8	+10.2	+24.2
Nev.	118	8,780	74.41	+9	+1	+7.3	+6.3
N. H.	261	17,574	67.33	-4	+9	-4.0	+1.5
N. J.	916	65,543	71.55	+8	+3.2	+5.4	+3.8
N. Mex.	391	18,868	48.26	+3	+5	+8	+37.4
N. Y.	4,375	399,818	91.39	-1	-8	+2	+1.0
N. C.	4,932	203,524	41.27	+7	+9	+7	+2.1
N. Dak.	113	6,497	57.50	-3.4	-2	-4.2	-16.5
Ohio	3,758	217,653	57.92	0	-5.4	+5	+2.3
Okla.	1,982	154,754	78.08	+2	+3	-2.6	+3.2
Oreg.	336	25,158	74.88	+1.2	+1.1	-2.9	-9
Pa. ²	16,708	1,029,318	61.61	+4	+6	+1.3	+22.6
P. R.	1,674	13,143	7.85	+2.3	+2.0	+7.9	+8.5
R. I.	163	11,619	71.28	-6	+9	-7.9	-9.9
S. C.	1,790	67,952	37.96	+3	+8	+2.5	+2.3
S. Dak.	198	8,892	44.91	-1.0	-2	-2.0	+1
Tenn.	3,134	125,420	40.02	-3	-9	-4.9	-8.1
Tex.	6,569	299,419	45.58	+4	+5	+1.0	+4.2
Utah	239	16,161	67.62	0	+1.7	+5.8	+6.4
Vt.	137	6,699	48.90	-2.8	-3.7	-15.4	-15.5
V. I.	30	580	(³)	(³)	(³)	(³)	(³)
Va.	1,305	49,238	37.73	-2	+1	-2	+4.1
Wash. ²	787	71,925	91.39	+9	+1.1	+2.1	+19.1
W. Va.	1,179	38,246	32.44	+9	+1.1	-4	+5.5
Wis.	1,112	82,194	73.92	-1	+5.6	-2.4	+6.1
Wyo.	65	4,190	64.46	(³)	(³)	(³)	(³)

¹ For definition of terms see the *Bulletin*, January 1953, p. 16. All data subject to revision.

² Data include recipients of payments made without Federal participation and payments to these recipients as follows: California, \$34,482 to 399 recipients; Missouri, \$35,671 to 586 recipients; Pennsylvania, \$515,224 to 8,301 recipients; and Washington, \$120 to 2 recipients.

³ Decrease of less than 0.05 percent.

⁴ Average payment not computed on base of less than 50 recipients; percentage change, on less than 100 recipients.

⁵ Increase of less than 0.05 percent.

⁶ In addition, supplemental payments of \$6,355 were made to recipients from general assistance funds.

⁷ Based on data excluding vendor payments for medical care for June 1955.

Table 14.—Aid to dependent children: Recipients and payments to recipients, by State, June 1956¹

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of families	Number of recipients		Payments to recipients			Percentage change from—			
		Total ²	Children	Total amount	Average per—		May 1955 in—		June 1955 in—	
					Family	Recipient	Number of families	Amount	Number of families	Amount
Total.....	613,720	2,250,229	1,707,629	\$54,785,725	\$89.27	\$24.35	-0.5	-0.8	-1.1	+1.8
Ala.....	19,630	76,004	58,453	808,502	41.19	10.64	-5	-5	+7.6	+1.3
Alaska.....	1,393	4,847	3,580	127,528	91.55	26.31	-2.0	-2.1	+13.2	+15.3
Ariz.....	4,798	18,578	14,090	457,892	95.43	24.65	+1	-1	+4.6	+5.5
Ark.....	8,431	32,119	24,969	475,091	56.35	14.79	-1.9	-2.0	-6.2	-4.8
Calif.....	52,257	180,305	138,829	6,560,561	125.54	36.39	-1.3	-1.9	-6.8	-7.2
Colo.....	5,805	22,129	17,073	634,904	109.37	28.69	-1.6	-2.5	-1.8	-3
Conn.....	5,365	17,363	12,914	734,219	136.85	42.29	-4	-3	+3.0	+3.1
Del.....	1,202	4,645	3,558	101,643	84.56	21.88	-9	-1.2	+7.9	+5.6
D. C.....	2,128	9,114	7,117	233,573	109.76	25.63	-2.4	-2.0	+2	+2.6
Fla.....	21,426	76,288	58,404	1,180,034	55.07	13.47	+1	+1	+1.3	+2.0
Ga.....	14,339	52,335	39,988	1,079,288	75.27	20.62	-3.9	-4.4	-2.0	-1.9
Hawaii.....	3,073	11,732	9,345	255,071	83.00	21.74	-9	-7	-8.2	-18.1
Idaho.....	1,735	6,211	4,556	224,089	129.16	36.08	-3.2	-3.2	-6.3	-5.3
Ill.....	25,065	97,923	74,177	3,422,368	136.54	34.95	+5	+7	+19.7	+23.1
Ind.....	8,690	30,719	22,840	798,844	91.93	28.00	-3	(³)	-9	+7
Iowa.....	6,826	24,702	18,421	762,926	111.77	30.89	-7	-4	+3.8	+1
Kans.....	4,578	16,716	12,900	513,386	112.14	30.71	-1.8	-2.2	+2.8	+4.2
Ky.....	18,736	67,830	50,924	1,196,006	63.83	17.63	+1	+3	-1.0	(³)
La.....	19,839	77,946	59,555	1,453,232	73.25	18.64	+2	(³)	+7.9	+21.3
Maine.....	4,487	15,588	11,284	377,903	84.22	24.24	-9	-8	+1.5	+4.5
Md.....	6,251	23,527	19,841	605,381	96.85	23.72	-7	-1.6	-1.9	-1.2
Mass.....	12,706	42,386	31,419	1,685,553	132.66	39.77	-5	+4	-2.7	+1.5
Mich.....	18,959	66,127	45,407	2,199,616	116.02	33.26	0	+1	+1.4	-3.8
Minn.....	8,067	27,374	21,050	1,016,947	126.06	37.15	-9	-2.3	+1.3	+6.1
Miss.....	11,672	43,190	33,568	323,217	27.69	7.48	-5	-4	-13.5	+4.1
Mo.....	20,383	72,904	54,406	1,432,938	70.30	19.66	-5	(³)	-7.8	-4.5
Mont.....	1,970	7,003	5,338	210,894	107.05	30.11	-4	-6	-6.3	-5.4
Nebr.....	2,725	10,046	7,548	269,934	99.06	28.87	+5	+6	+6.8	+12.1
Nev.....	473	1,633	1,237	41,948	88.68	25.69	+4.9	+4.0	(³)	(³)
N. H.....	995	3,722	2,807	136,114	136.80	36.57	-2.6	-9	-8.3	-3.0
N. J.....	6,508	21,719	16,432	793,384	121.91	36.53	-9	-4	+8.3	+11.5
N. Mex.....	6,075	22,632	17,285	517,162	85.13	22.85	+3	+3	-6	-6
N. Y.....	53,938	198,667	147,551	7,527,717	139.56	37.99	-5	-6	+1.5	+1.5
N. C.....	19,954	76,963	58,993	1,256,141	62.95	16.32	-1.2	-8	+1.0	+1.8
N. Dak.....	1,637	5,994	4,601	200,962	122.76	33.53	+5	(³)	+9.4	+16.6
Ohio.....	17,176	65,527	49,805	1,537,844	89.53	23.47	+2	-1.2	+9.2	+4.0
Okla.....	15,710	52,757	40,221	1,287,238	81.94	24.40	-9	-1.1	-1	+6.4
Oreg.....	3,545	12,758	9,659	435,554	122.86	34.14	-7	-3	-9.0	-6.6
Pa.....	28,856	110,787	84,028	3,090,358	107.10	27.89	-1.1	-8	-3.4	-8
P. R.....	42,163	149,526	114,738	440,260	10.44	2.94	+1.7	+1.2	(³)	+7
R. I.....	3,467	11,982	8,841	396,842	114.46	33.12	-3	-4	-1.1	+2.5
S. C.....	8,118	31,303	24,431	384,783	47.40	12.29	-1.0	-1.1	-2.0	-2.4
S. Dak.....	2,759	9,257	7,058	232,142	84.14	25.08	+1	+2.2	-3.2	-1.4
Tenn.....	19,600	70,691	52,841	1,219,246	62.21	17.25	-2	-3	-7.4	-3.9
Tex.....	21,328	87,577	66,320	1,397,107	64.90	15.95	-1.1	-1.1	+4.8	+4.8
Utah.....	2,887	10,105	7,489	326,261	113.01	32.29	-1.0	-7	-6.5	-5.2
Vt.....	1,096	3,789	2,837	87,741	80.06	23.16	-1.2	-1.6	-3.2	-1.6
V. I.....	222	822	678	7,884	35.51	9.59	+1.4	+1.0	+10.4	+11.2
Va.....	8,960	35,045	27,179	603,138	67.31	17.21	-1.3	-1.5	+1.3	+4.5
Wash.....	9,032	31,135	22,940	1,085,727	120.21	34.87	-1.5	-2.0	-4	+2
W. Va.....	17,804	67,417	52,311	1,399,688	78.62	20.76	+1	-1	-4.3	+2.8
Wis.....	8,097	28,651	21,185	1,173,771	144.96	40.97	-1.9	-2.0	-9	+5.0
Wyo.....	584	2,099	1,608	65,173	111.60	31.05	-2.8	-3.3	+3.2	+5.5

¹ For definition of terms see the *Bulletin*, January 1953, p. 16. All data subject to revision.

² Includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.

³ Decrease of less than 0.05 percent.

⁴ Increase of less than 0.05 percent.

⁵ Not computed; July 1955 first month of operation under approved plan.

⁶ In addition, supplemental payments of \$173,033 were made from general assistance funds to 4,737 families.

⁷ Based on data excluding vendor payments for medical care for June 1955.

Table 15.—Proportion of population receiving assistance (recipient rates), by State, June 1956¹

[Except for general assistance includes recipients receiving only vendor payments for medical care. All data subject to revision]

State	Recipients of old-age assistance per 1,000 population aged 65 and over	Children receiving aid to dependent children per 1,000 population under age 18	Recipients of aid to the permanently and totally disabled per 1,000 population aged 18-64	Recipients of general assistance per 1,000 persons under age 65
U. S. average.....	173	29	² 3.4	³ 4.2
Ala.....	454	48	7.3	.1
Alaska.....	327	54	—	1.6
Ariz.....	247	34	—	3.4
Ark.....	324	36	6.2	.4
Calif.....	239	31	—	3.9
Colo.....	358	30	5.9	2.4
Conn.....	77	18	1.6	3.5
Del.....	52	25	1.6	4.8
D. C.....	46	26	4.6	.8
Fla.....	212	48	1.5	(⁴)
Ga.....	386	27	6.4	1.4
Hawaii.....	62	46	4.7	6.3
Idaho.....	164	19	2.8	.2
Ill.....	101	24	1.7	6.8
Ind.....	84	15	—	⁵ 7.5
Iowa.....	131	20	—	3.3
Kans.....	154	18	3.4	2.4
Ky.....	214	45	—	2.1
La.....	604	49	9.0	3.3
Maine.....	123	37	1.3	9.8
Md.....	54	21	3.3	1.2
Mass.....	161	20	3.6	4.4
Mich.....	125	18	.6	7.5
Minn.....	158	18	.7	4.5
Miss.....	437	38	3.6	.7
Mo.....	289	41	5.7	2.6
Mont.....	136	22	4.3	3.5
Nebr.....	116	16	1.3	2.5
Nev.....	185	16	—	(⁴)
N. H.....	97	15	.9	4.7
N. J.....	41	10	1.2	³ 3.4
N. Mex.....	215	47	4.3	.5
N. Y.....	63	30	4.0	4.7
N. C.....	195	35	5.7	1.4
N. Dak.....	141	19	2.7	2.2
Ohio.....	119	16	1.6	8.9
Okla.....	440	53	5.6	(⁴)
Oreg.....	114	16	3.5	5.0
Pa.....	52	23	1.9	4.4
P. R.....	495	96	20.7	.4
R. I.....	96	33	3.3	9.6
S. C.....	309	24	6.8	1.2
S. Dak.....	156	28	2.2	3.6
Tenn.....	232	41	1.2	1.5
Tex.....	355	20	—	(⁴)
Utah.....	178	22	4.4	³ 3.4
Vt.....	167	21	2.6	(⁴)
V. I.....	319	62	9.8	6.1
Va.....	67	20	2.7	(⁴)
Wash.....	224	25	3.9	7.1
W. Va.....	146	68	7.8	2.6
Wis.....	114	16	.6	5.4
Wyo.....	162	14	3.0	2.8

¹ Based on population estimated by the Bureau of Public Assistance as of July 1956.

² Average for 45 States. No program in operation in remaining States.

³ Average for 47 States. See footnote 4.

⁴ Number of persons aided not currently available.

⁵ Rate includes unknown number of persons receiving medical care, hospitalization, and burial only.

Table 16.—Aid to the permanently and totally disabled: Recipients and payments to recipients, by State, June 1956¹

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	May 1956 in—		June 1955 in—	
				Number	Amount	Number	Amount
Total....	258,279	\$14,649,950	\$56.72	+0.9	+0.6	+9.1	+12.6
Ala.....	11,752	405,583	34.51	+1.0	+1.4	+15.8	+11.5
Ark.....	5,728	181,556	31.70	+2.9	+3.1	+16.6	+18.9
Calif.....	5,080	295,859	58.24	+4	+1.2	+2.5	+4.6
Conn.....	2,133	252,589	118.42	-7	-4	+10.9	+22.6
Del.....	363	20,139	55.48	+1.7	+1.6	+40.7	+49.7
D. C.....	2,308	144,793	62.74	-1	+1.7	+4.7	+8.5
Fla.....	3,025	144,768	47.86	+22.0	+22.0		
Ga.....	12,060	510,551	42.33	+1.7	+1.8	+32.4	+33.3
Hawaii.....	1,313	78,760	59.98	-3	-1	-1.3	-7.0
Idaho.....	918	57,145	62.25	+2	-2	+9.0	+11.1
Ill.....	9,477	815,208	86.02	+3	+2.6	+56.7	+65.1
Kans.....	3,842	272,167	70.84	+8	+1.0	+11.8	+16.1
La.....	14,034	643,972	45.89	+3	+6	+9.6	+18.1
Maine.....	629	36,728	58.39	+3.5	+3.9	+510.7	+632.2
Md.....	5,075	281,598	55.49	+6	+7	+14.0	+18.3
Mass.....	10,693	1,121,094	104.84	+3	+1.6	+3.3	+7.9
Mich.....	2,540	191,046	75.21	+5	+8	+10.6	+15.8
Minn.....	1,282	73,269	57.15	+2.6	+3.0	+83.7	+91.5
Miss.....	3,764	92,545	24.59	+1.6	+1.7	+26.4	+26.3
Mo.....	13,367	696,832	52.13	+3	+4	-5.6	-5.2
Mont.....	1,449	94,386	65.14	-3	-4	-1	+2.3
Nebr.....	988	55,049	55.72	+5.1	+4.8		
N. H.....	276	21,209	76.84	-1.8	-1.2	+17.9	+23.8
N. J.....	3,941	341,585	86.67	+1.4	+4.2	+19.4	+28.8
N. Mex.....	1,681	77,522	46.12	-1	-1	-2	+47.4
N. Y.....	40,060	3,449,999	86.11	-5	-1.6	-2.6	+7
N. C.....	13,094	504,472	38.53	+1.6	+1.8	+15.7	+18.2
N. Dak.....	934	75,615	80.96	0	-1.4	+6.1	+25.8
Ohio.....	8,274	417,029	50.40	+1.1	+5	-8	+3
Okl.....	6,524	381,813	58.52	+1.2	+1.1	+11.1	+10.8
Oreg.....	3,305	250,018	75.65	+8	+5	+1	+1.1
Pa.....	12,766	702,416	55.02	-3	+1	-2.1	+8
P. R.....	20,143	173,570	8.62	+2.3	+1.4	+4.3	+4.4
R. I.....	1,568	119,778	76.39	+4	+2	+5.7	+6.5
S. C.....	7,854	249,649	31.79	+6	+5	+5	+6
S. Dak.....	789	36,974	46.86	0	+4	+14.5	+15.8
Tenn.....	2,271	88,526	38.98	+7.0	+7.3	+54.4	+50.9
Utah.....	1,797	117,756	65.53	+1	+5	+2	+1.4
Vt.....	531	26,752	50.38	+2.9	+2.6	+18.8	+20.4
V. I.....	101	1,966	19.47	-1.0	-1.0	-2.9	-1.9
Va.....	4,981	198,259	39.80	+8	+5	+6.5	+9.1
Wash.....	5,390	329,764	61.18	-7	-7	(?)	+35.2
W. Va.....	8,495	268,159	31.57	+3	+2	-2	+8
Wis.....	1,210	123,124	101.76	+1.4	-1	+6.8	+20.7
Wyo.....	474	28,648	60.44	-2	-1.2	+3.0	+3.1

¹ For definition of terms see the *Bulletin*, January 1953, p. 16. All data subject to revision.

² In addition, supplemental payments of \$11,999 from general assistance funds were made to some recipients in Nebraska and \$32,114 to 2,068 recipients in Ohio.

³ Increase of less than 0.05 percent.

⁴ Based on data excluding vendor payments for medical care for June 1955.

Table 17.—General assistance: Cases and payments to cases, by State, June 1956¹

[Excludes vendor payments for medical care and cases receiving only such payments]

State	Number of cases	Payments to cases		Percentage change from—			
		Total amount	Average	May 1956 in—		June 1955 in—	
				Number	Amount	Number	Amount
Total ² ...	290,000	\$15,051,000	\$51.94	-4.3	-6.2	-6.5	-9.7
Ala.....	176	4,178	23.74	+3.5	+3.7	+17.3	+16.3
Alaska.....	167	8,540	51.14	-13.9	-18.6	+12.8	+13.4
Ariz.....	1,960	86,128	43.94	-6	-2	+14.4	+16.3
Ark.....	306	4,269	13.95	-4.4	-2.3	-59.6	-63.5
Calif.....	28,484	1,467,885	51.53	-5.0	-4.4	-6.2	-6.1
Colo.....	1,253	46,393	37.03	-8.3	-7.8	-10.9	-14.9
Conn.....	42,683	140,078	52.21	-7.0	-10.8	-10.9	-17.0
Del.....	928	53,211	57.34	-8.6	-12.9	-20.2	-4.0
D. C.....	612	38,292	62.57	-6.7	-6.4	+12.7	+13.9
Fla.....	5,300	87,100					
Ga.....	2,263	47,180	20.85	-4	-2.0	-3.9	-10.2
Hawaii.....	1,737	89,213	51.36	-3.3	-2.7	-20.3	-28.9
Idaho.....	70	3,547	50.67	(?)	(?)	(?)	(?)
Ill.....	27,079	1,816,799	67.09	-8.9	-7.9	-24.6	-25.7
Ind.....	10,796	344,717	31.93	-3.2	-12.7	-3.9	-9.1
Iowa.....	3,560	110,878	31.15	-2.7	-5.7	+1.9	+1.1
Kans.....	1,815	96,785	53.33	-4.9	-4.5	-6.2	-7.3
Ky.....	2,448	76,941	31.43	-9.2	-7.0	-11.4	-5.6
La.....	8,418	351,624	41.77	+4	+1	+11.8	+18.8
Maine.....	3,048	134,830	44.14	-13.4	-15.8	-4.1	-3.3
Md.....	1,869	100,664	53.86	+1.1	+1.9	-11.4	-10.8
Mass.....	10,440	573,262	54.91	-7.4	-11.6	-16.7	-17.5
Mich.....	18,373	1,286,361	70.01	-1.5	-3.9	+12.2	+22.5
Minn.....	5,615	302,582	53.89	-13.4	-17.8	-14.9	-18.3
Miss.....	994	14,467	14.55	+9	+4.5	+2.4	+17.4
Mo.....	6,292	308,313	49.00	-4	-5	-1	+22.5
Mont.....	699	24,732	35.38	-2.8	-14.7	-10.8	+20.4
Nebr.....	1,257	46,384	36.90	-3.9	-6.2	-6.7	-17.8
Nev.....	330	10,900					
N. H.....	843	38,003	45.08	-13.9	-19.8	-15.8	-18.5
N. J.....	6,755	514,178	76.12	-6.7	-10.5	-15.3	-16.5
N. Mex.....	329	8,387	25.49	-9	-1.6	-23.1	-26.3
N. Y.....	24,742	1,885,349	76.20	-5.9	-7.6	-15.8	-17.8
N. C.....	2,493	54,761	21.97	-6	-6	+24.0	+33.4
N. Dak.....	359	14,587	40.63	-25.4	-32.7	-11.4	-14.4
Ohio.....	29,425	1,432,114	48.67	-2.7	-3.6	+1	-4.6
Okl.....	9,177	152,748	16.64	+14.6	+21.9		
Oreg.....	2,936	164,360	55.98	-10.2	-17.5	+3.9	+18.0
Pa.....	22,435	1,442,419	64.29	-4.6	-5.2	-17.2	-22.8
P. R.....	895	5,458	6.10	+3.2	-46.1	-4.1	-62.1
R. I.....	3,371	220,559	65.43	-6.7	-9.3	-8.9	-11.2
S. C.....	1,761	39,938	22.68	-4.1	-2.6	-12.6	-12.8
S. Dak.....	1,269	47,603	37.51	-4.6	-2.2	+4	+15.3
Tenn.....	2,132	36,453	17.10	-3	+1.8	-7.8	+6
Tex.....	9,300	214,000					
Utah.....	1,468	87,751	59.78	-5.3	-8.3	-2.3	-5.7
Vt.....	1,100	47,000					
V. I.....	121	2,333	19.28	+5.2	+7.9	(?)	(?)
Va.....	1,964	68,777	35.02	-1.8	-2.0	-18.0	-19.9
Wash.....	10,179	642,457	63.12	-6.5	-6.3	+2.2	+7.8
W. Va.....	2,659	78,809	29.64	+3.4	+9	+20.4	+28.8
Wis.....	6,858	474,649	69.21	-4.9	-7.7	-9.4	-8.3
Wyo.....	230	11,427	49.68	-7.3	-8.7	-4	+8.9

¹ For definition of terms see the *Bulletin*, January 1953, p. 16. All data subject to revision.

² Partly estimated; does not represent sum of State figures because total excludes for Indiana and New Jersey an estimated number of cases receiving medical care, hospitalization, and burial only and payments for these services.

³ State program only; excludes program administered by local officials.

⁴ About 4 percent of this total is estimated.

⁵ Partly estimated.

⁶ Excludes assistance in kind and cases receiving assistance in kind only and, for a few counties, cash payments and cases receiving cash payments.

⁷ Percentage change not computed on base of less than 100 cases.

⁸ Includes an unknown number of cases receiving medical care, hospitalization, and burial only, and total payments for these services.

⁹ Estimated.

¹⁰ Includes cases receiving medical care only.

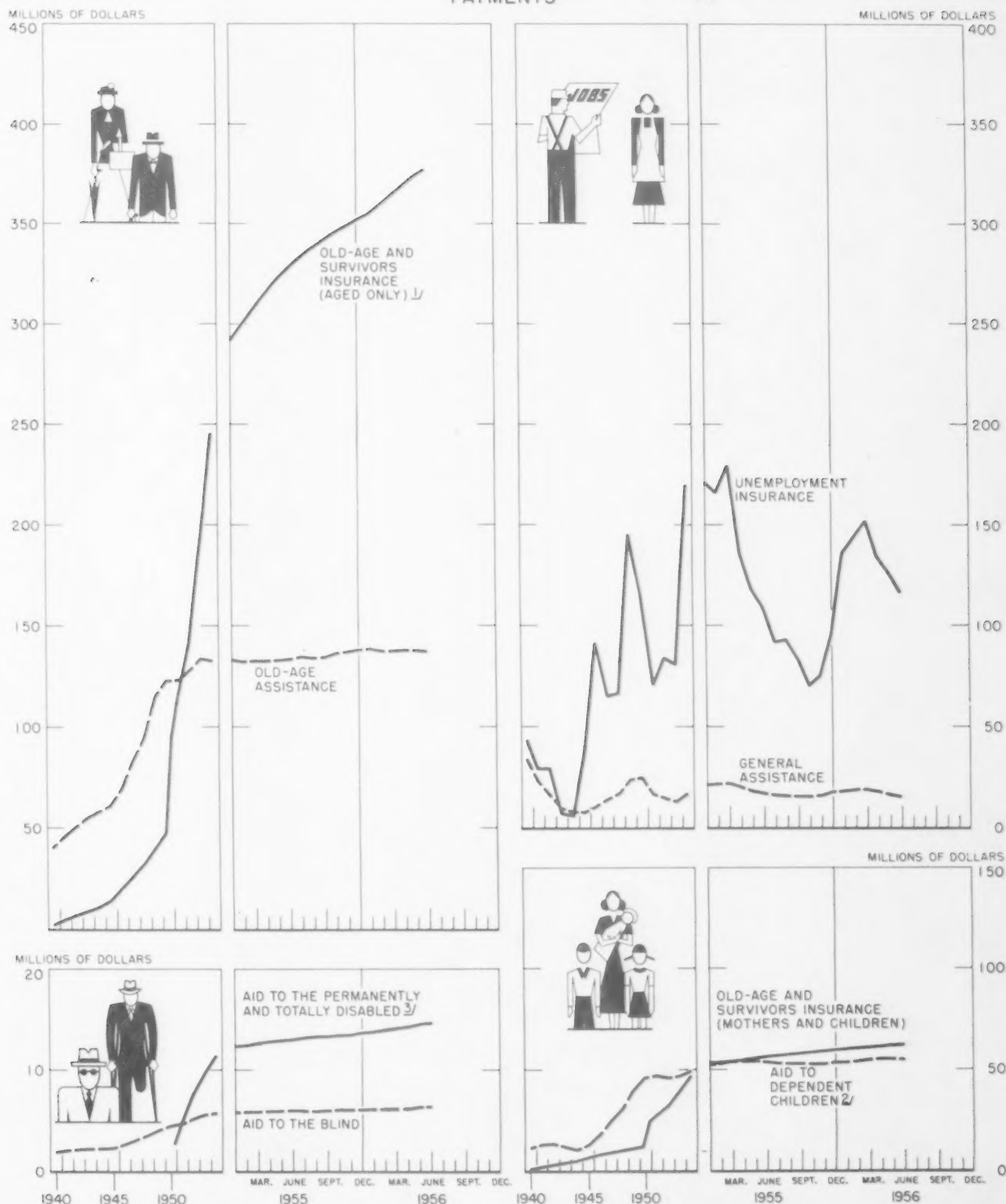
¹¹ Includes 9,575 cases and payments of \$345,127 representing supplementation of other assistance programs.

¹² Includes an unknown number of cases receiving vendor payments for medical care only and an unknown amount of vendor payments for medical care. Percentage change not computed for June 1955; comparable data not available.

¹³ Estimated on basis of report from sample of local jurisdictions.

Social Security Operations*

PAYMENTS



* Old-age and survivors insurance: benefits paid during month (current-payment status); annual data represent average monthly total. Public assistance: payments during month under all State programs; annual data represent average monthly total. Unemployment insurance: gross benefits paid during month under all State laws; annual data represent average monthly total.

¹ Receiving old-age, wife's or husband's, widow's or widower's,

or parent's benefit. Beginning September 1950, includes a small proportion of wife beneficiaries under age 65 with child beneficiaries in their care.

² Children plus 1 adult per family when adults are included in assistance group; before October 1950, partly estimated.

³ Program initiated October 1950.

NOTE: Data for payments and data for individuals receiving payments appear in alternate months.

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